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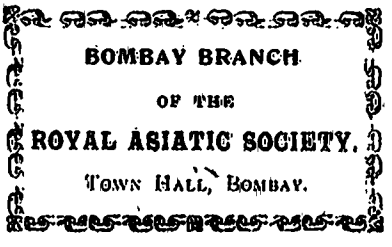

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PREFATORY NOTE.

This report, which has been prepared for presentation to Parliament, is issued by the Bureau of Public Information, Government of India, under the authority and with the general approval of the Secretary of State for India; but it must not be understood that the approval either of the Secretary of State or of the Government of India extends to every particular expression of opinion.

The report has been written in the abbreviated form adopted for the 1931-32 report. The descriptive and explanatory passages which served to introduce the subject matter of previous reports, and largely accounted for their bulk, have been curtailed or omitted. The Chapter on the Provinces has also again been omitted, in order to keep down the size of the report; full information is available in the provincial Administration and Departmental reports.

It should be explained that the Chapter on Politics and Administration covers the calendar year 1933; and the other Chapters the financial year 1932-33.

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CHAPTER I.

Politics and Administration.

INTRODUCTORY: Scope of Chapter.

The last annual report brought the record of political and administrative events to the close of the year 1932. We now continue it to the end of the following December, and the period dealt with thus coincides with the calendar year 1933. But whereas in the corresponding Chapters of the two previous reports many of the developments described were of an obvious and even dramatic importance, there are here but few to which such epithets could suitably be applied. Moreover the tract of time within which our tale is fitted has the disadvantage, as compared with its two predecessors, of not constituting a compact or natural historical unit. Readers, therefore, must not look on this occasion for a neat-edged narrative of rich and vigorous pattern; colour and line, on the contrary, will be often obscure, and the borders in places frayed. Nevertheless, in politics as in personal affairs, it is the formative phases of uncertainty and transition, rather than those of actual crisis, which frequently prove, in terms of the future, to have been the more important; and for this reason alone the contents of this Chapter will repay examination.

Chief features: continuance of the "dual" policy.

The course of political activity in India during 1933 was conditioned throughout by the consistent and successful adherence by Government, despite opposition from some quarters, to its "dual" policy. The nature and history of this policy, which may be said to consist in vigorous maintenance of law and order, and simultaneously active progress towards the introduction of constitutional reforms, was described in detail in the previous report. A brief recapitulation of it however may not be out of place. In October 1929 Lord Irwin,* on returning to India from leave, announced the intention of His Majesty's Government to convene in London a Round Table Conference, consisting of representative British and Indian political leaders, to discuss the contemplated reform of the Indian Constitution. The announcement created an excellent impression amongst all political groups and parties in India except the Congress, which rejected the offer, and decided in December 1929 to resort to direct action for

*Viceroy of India, 1926-31; has since succeeded to the title of Lord Halifax.

the attainment of its declared goal of " complete Independence " for India. The civil disobedience movement, in implementation of this threat, was launched by Mr. Gandhi three months later, and during the course of the summer of 1930 increasingly vigorous measures had to be taken by Government to cope with it. This however did not modify Government's attitude towards the Round Table Conference, the first session of which duly took place in the autumn of that year. In essence therefore the " dual " policy was already in operation in 1930. The Delhi Pact of March 1931 involved the suspension of what has been called its " repressive " side, since with the abandonment of civil disobedience the conditions which had necessitated " repression " ceased outwardly at any rate to exist. Moreover there was general agreement that the subversive activities of the Congress during the previous year should not deprive that party of an opportunity of taking part in practical constitutional deliberations and abandoning unconstitutional methods. But the experiment of the Pact did not prove a success; Mr. Gandhi, who represented the Congress at the second Round Table Conference in the autumn of 1931, made little practical impression on the Conference and failed to achieve any communal settlement. Indeed the discussions between the various Indian communities had the effect of appreciably increasing their suspicions and animosities. In India the experiment was even more markedly a failure, owing mainly to the tendency of Congressmen to regard the Pact as representing a victory for themselves *versus* the Government. During the latter part of 1931 preparations were actively carried on, particularly in the rural areas of the United Provinces, the North-West Frontier Province, and Bengal, for renewing the struggle on a mass scale at the earliest opportunity. The events leading up to the renewal of civil disobedience were described in our last report. Government action, in a more far-reaching form than at the outset of the 1930-31 movement, was at once taken, but again without prejudicing the work of constitutional reform. This " dual " aspect of the policy was stressed by H. E. the Viceroy in his address to the Central Legislature on the 26th January 1932 and again on the 1st February of the following year. A resolute stand against civil disobedience on the one hand, and steady progress towards the framing and introduction of a reformed constitution, on the other, were integral parts of a single policy. The former aimed at removing a menace to orderly government and was therefore to some extent supplementary to the

constitutional policy; the latter sought to satisfy the legitimate demand of moderate opinion for the transfer of a larger measure of political power to Indian hands, subject to necessary safeguards. Throughout 1933, as in the previous year, this policy of undeviating perseverance in the work of constitutional reform and resolute action for the maintenance of public tranquillity was continued.

Criticisms of the "dual" policy.

As has been mentioned, however, it was vehemently attacked from certain quarters. In England the right-wing section of the Conservative Party were active in denouncing the constitutional aspect of the policy, on the ground that India was not yet fit for the extensive measure of self-government it was proposed to grant her. In India, both sides of the policy were subjected to continuous criticism from Congress sympathizers and also from nationalists associated with the Liberal group; the proposed reforms were declared to be far too limited to satisfy Indian aspirations, and the steps taken to suppress civil disobedience condemned on the ground that they were excessive, and causing only an intensification of political discontent. It was also asserted at frequent intervals that the "dual" policy had been a failure and that its continuance would prove disastrous for the country as a whole. But these allegations were certainly not borne out by the facts. As our account will show, there is no question that the policy succeeded in its two-fold object, namely the suppression of Congress lawlessness and the prosecution of the work on the new constitution. The success of the policy indeed conditioned the entire course of the year's developments and the other features of the period were to a large extent dependent on it.

Decline of civil disobedience.

The most striking manifestation of its success was of course the progressive weakening and ultimate collapse of the civil disobedience movement and the corresponding growth of dissensions within the Congress camp. The movement had indeed been largely brought under control at an early stage after its initiation during the previous year, and had gradually declined in strength thereafter; but unity within the Congress ranks was maintained throughout 1932 and the process of decline was slow. Conditions in 1933, however, soon underwent a change. In the administrative sphere, the consistent pressure exercised by Government began to tell, while politically the nearer approach of the reforms created divided counsels as to the wisdom of maintaining a purely negative policy; at the same time the apparent diversion of Mr. Gandhi's interests from nationalist

politics to the cause of the Untouchables gave rise to bewilderment amongst his followers. These factors combined to accelerate the collapse of civil disobedience, and by the end of the period, although still theoretically constituting the essence of Congress policy, it had almost ceased to exist in an active form.

Growth of cooperation.

A development parallel to the decline of civil disobedience was the growth of a more constructive or cooperative political spirit throughout the country. As the year advanced Government obtained practical support in increasing measure from moderate opinion. An illustration of this was their success in securing the passage both by the Central and provincial Legislatures of Bills embodying the main features of the consolidated " Ordinance " which had been promulgated at the end of June 1932 for the suppression of Congress lawlessness. This remarkable achievement was due to increasing recognition on the part of the general public of the facts not only that civil disobedience had become a public nuisance and a hindrance to trade, but also that Government genuinely stood for constitutional advance as well as for the maintenance of law and order. Again, it was significant that the Hindu Mahasabha, which had decided to boycott the Legislatures and the constitutional deliberations as a protest against the contents of the Communal Decision, reversed its attitude; and certain important interests which had declined to send representatives to the Third Round Table Conference showed anxiety to be represented before the Joint Select Committee of Parliament. There were, moreover, as has already been indicated, growing divergences of opinion within the Congress on the constitutional issue; and it was not long before sections of the party, notably in Bombay and Madras, began publicly to demand the abandonment of the discredited and ineffective policy of direct action and concentration, instead, on the capture of political power in the Legislatures at the next elections. Thus by the end of the year it was clear that unless there were some serious hitch or undue delay over the introduction of the new constitution, a large body of Indian political opinion would be ready and indeed anxious to work it; and although criticism of the details of the reforms scheme continued, there was plenty of evidence that the tide had turned from negative Gandhian doctrines towards cooperation.

Arrangement of Chapter.

Before the detailed analysis of the year's events is embarked upon, a few words are required to explain the arrangement of this Chapter. The period contains few natural chronological land-

marks such as facilitated the construction of the corresponding Chapters of previous reports; but there are two events, namely the fasts performed by Mr. Gandhi in May and August, ostensibly for non-political objects, which mark to some extent definite stages in the year's political history. We propose therefore to sub-divide our main narrative into three sections, each covering four months. During the first, from January to May, interest was largely concentrated on the possible and actual contents of the White Paper*; the movement against Untouchability also attracted a good deal of attention. There was a steady decline in the strength of the civil disobedience movement, and signs were in evidence after the publication of the White Paper of a coming split within the Congress over the question of the party's future programme. The second period is bounded by Mr. Gandhi's fasts in May and August. During these four months political interest centred mainly on the efforts made to restore unity between the various sections of the Congress and to revive the party's influence and prestige. These efforts, however, were on the whole unsuccessful, and the subsequent trend of events led to Mr. Gandhi's withdrawal from politics for a while. The constitutional question attracted less notice during this period. During the last four months Congress politics were extremely confused. While Mr. Gandhi devoted himself to work in connection with the anti-Untouchability movement,—which incidentally had begun to arouse increasing opposition from the orthodox or "Sanatanist" Hindus,—a small section of political moderates revolted from the Congress, and another section under Pandit Jawaharlal Nehru's leadership strove to imbue Congress policy with "advanced" and unfamiliar economic doctrines. A new alignment of parties seemed to be taking place; on the one hand there was a drawing together of moderate Indians who believed in constitutional methods and the maintenance of some measure of political and social stability; on the other, a small but increasing body of left-wing Congressmen evidently desired to make their party a definitely Socialist or Communist body. This introduces us to the first of two subsidiary sections of the Chapter, which deals with revolutionary Communism

*This embodied His Majesty's Government's proposals for Indian constitutional reform; it was published on the 18th March 1933.

and terrorism. We propose there to describe the various manifestations of these movements throughout the year and the action taken by Government to suppress them. Finally, in the second subsidiary section, we shall briefly discuss the constitutional problems of Burma.

FIRST SECTION: The Viceroy's address to the Central Legislature.

The position at the beginning of the year may be described in the words of H. E. the Viceroy. Addressing a joint session of the Legislature on the 1st February, he drew attention to the great improvement in the political outlook. Civil disobedience had been effectively brought under control; work on the new constitution continued to progress; and public opinion was steadier. The change he attributed to " a feeling of confidence in the belief that I and my Government are striving with absolute sincerity to advance as rapidly as possible the constitutional reforms, and at the same time to secure peaceful conditions which are so essential in starting our new form of administration ". Nonetheless the situation was not entirely free from grounds for anxiety. Civil disobedience, although checked, continued in operation, and the leaders of the movement, in spite of the repeated failure of their attempts to reinvigorate it, apparently had no desire to give it up. Again, in the constitutional sphere, some uncertainty naturally prevailed, for although the broad lines of the reforms scheme had emerged fairly clearly from the discussions of the Third Round Table Conference, public opinion remained in a state of suspense pending the publication of detailed proposals in the White Paper. The speech, however, ended on a note of hopefulness. His Excellency expressed the opinion* that the march of events would carry Congress leaders further and further away from the sterile methods of negation and obstruction they had adopted; and with regard to the constitutional position he said that the Secretary of State's declaration on the subject of Central responsibility must be regarded as a solid and substantial advance.

Reactions to the Third Round Table Conference.

Actually the official report of the Third Conference had been published only the day before His Excellency's speech was made, but its contents, at any rate so far as the more important and controversial items were concerned, were already known from the newspaper accounts of the proceedings. The Conference had differed from its two predecessors in being a smaller and more compact body,

*which has since been strikingly fulfilled.

and also in the fact that, owing to His Majesty's Government's decision, early in 1932, to undertake the invidious task of settling the hitherto insoluble communal problem*, it was able to get down to practical details in a way the other two Conferences were not. As was expected, the results of the Conference came in for a good deal of adverse criticism in India. In the pro-Congress newspapers denunciation was of course extreme and uncompromising; but it was confined mainly to generalities, and clearly inspired less by a desire to remedy defects than to justify the policy of non-cooperation. Criticism from non-Congress sources, though evidently also to some extent of a tactical nature, was directed more to the practical details of the proposals and, in so far as this was so, merited careful consideration. The Hindu Liberals were the main critics, and what they had to say in large measure anticipated the attacks later directed against the White Paper, which will have to be considered in detail at a subsequent stage. The chief points in the scheme which attracted adverse comment were the special powers to be conferred upon the Governor-General and the provincial Governors and other safeguards; the proposals regarding the Indianization of the Army; and the conditions laid down in regard to the grant of responsibility at the Centre. (A manifesto issued on the 29th January by some prominent Bombay Liberals represents the general attitude of the Liberal group towards the scheme fairly well.) After enumerating the conditions which, in their view, the constitution would have to fulfil if it was to secure popular support, the signatories expressed satisfaction with the assurance that everything possible would be done to remove the obstacles in the way of Federation; but the fact that the grant of Central responsibility was made dependent on the willingness of the States to federate was held to have introduced a needless element of uncertainty. The special powers proposed to be conferred on the Executive Heads of the Central and provincial Governments were vigorously denounced; it was held that these were far too drastic, and calculated to nullify both provincial and Central responsibility. As regards the safeguards, it was contended that they were unnecessarily comprehensive, and that some of them at any rate could not be proved to be in India's interests. The proposals regarding commercial discrimination, the position of the Services, and the creation of a

*The Communal Decision had been published on the 17th August 1932.

statutory Railway Board were considered serious encroachments on the responsibility of the Legislatures. Disappointment was expressed about the proposals regarding military expenditure and the Indianization of the Army, and it was urged that the Army Member should be a Member of the Federal Legislature. Finally, a demand was made for the release of political prisoners " with a view to create a favourable atmosphere for the inauguration of the new constitution. The signatories summed up their criticisms by declaring that " the contemplated scheme, unless materially altered, will grievously fall short of the essentials which alone can satisfy the people of India, and will fail to secure support from any section of responsible opinion." This, however, was evidently an excessively gloomy view, and other political interests were much less hostile. The Muslims, while disappointed by the restrictions on the power of the provincial Legislatures and Ministers, were as a whole definitely of opinion that the scheme was acceptable and should be worked; and the Europeans and Anglo-Indians expressed approval of it. It was recognized by spokesmen of these groups that the proposals embodied the greatest common measure of agreement among the interests represented at the Conference, and that any radical alteration in their structure which failed to secure unanimous support was out of the question. The validity of these considerations was doubtless fully understood although not publicly admitted by the majority of Hindu nationalists also.

The anti-Untouchability movement.

We may now turn to another subject which during the first four months of the year attracted quite as much public attention as the results of the Round Table Conference. This was the attempt made under Mr. Gandhi's inspiration to get legislation passed abolishing from Hindu Society the practice of " Untouchability ",—or at any rate mitigating its effects*. As was mentioned in our previous report, the anti-Untouchability movement was an offshoot of the Poona Pact of September 1932. Though primarily concerned with the political representation of the Depressed Classes, the Pact imposed in Mr. Gandhi's eyes an obligation on caste Hindus to take steps to remove the religious and social disabilities to which these unfortunate people had always been subjected. During the last three months

*Mr. Gandhi was still in jail; but he had been given very generous facilities for maintaining touch with public opinion regarding questions connected with Untouchability.

of 1932, there was much activity on the part of Mr. Gandhi's supporters in connection with the throwing open of temples to Untouchables. But attempts to secure entry for them into most of the important temples, such as that of Guruvayur, on the Malabar coast, had failed. The reason for this was not only the strong opposition of the orthodox Hindus to the innovation, but also the fact that judicial decisions and the law seemed to support the established usage. If a change in the current practice was to be secured, legislation appeared necessary. With this end in view two Bills were framed by the reformers, one for presentation in the Madras Legislative Council, and the other in the Legislative Assembly. The Assembly Bill, sponsored by Mr. Ranga Iyer, proposed that no custom or usage based on Untouchability should be recognized by any court of law; and Dr. Subbarayan's Bill,—the one prepared for the Madras Legislative Council,—sought to empower Hindus resident in any locality to secure an alteration by a majority vote in the established practice regarding the admission of Untouchables to local temples. Mr. Gandhi, who had threatened to fast on the 2nd January in connection with the temple-entry issue, altered his plans when the news about the proposed legislation was announced.

Government's decision in regard to the Bills.

In dealing with this question Government was faced with a serious difficulty. Refusal to sanction the introduction of the Bills would inevitably have been misrepresented by Mr. Gandhi's supporters as indicating a desire to obstruct a highly desirable social or humanitarian reform, and might have been interpreted in this sense outside India. On the other hand the Bills intimately affected Hindu religious practices, and the orthodox section of that community was passionately opposed to legislative interference in such matters. One of the cardinal principles of the British administration in India has been the maintenance of complete neutrality where religious issues were involved. The only possible infringement of this principle in recent years has been in respect of the Sarda Act relating to the practice of child-marriage; and the history of events associated with that Act shows how strongly in many quarters religious feeling has been roused even by a measure with such an unassailable humanitarian basis. After full consideration had been given to the arguments on both sides, sanction was accorded to the introduction in the Assembly of Mr. Ranga Iyer's Bill. It was however made clear that Government did not commit itself to accepting its

principles, and further, that the fullest opportunity would be given to every section of the Hindu community to express an opinion on its provisions. Sanction to Dr. Subbarayan's Bill was refused, on the ground that it was too far-reaching in implication for enactment by a provincial Legislature; but when Mr. Ranga Iyer drafted a second Bill based on Dr. Subbarayan's, and applied for sanction to introduce it in the Assembly, permission was granted, subject to the same qualifications as in the case of his former Bill. The decision reached by Government was criticised by the orthodox on the ground that it was inconsistent with the policy of religious neutrality, and by the reformers as being timid and half-hearted.

Public opinion and the Bills.

Violent controversy raged over the subject of these Bills during the first two months of the year. Strongly worded petitions to the Viceroy were despatched by numerous orthodox Hindu organizations, appealing to him to put a stop to insidious and unjustifiable attempts to interfere by legislation with Hindu religious practices. The activities of the reformers were passionately denounced by orthodox leaders such as Mr. M. K. Acharya, who called upon the Legislatures to save Hindu India " from a country-wide religious war ". The All-India Sanatan Dharma Mahasabha, at its annual meeting in January, declared that the right of the Untouchables to *deva-darshan* (sight of the gods), most emphatically did not imply the additional right to enter temples or touch images. Even the Congress leader Pandit Madan Mohan Malaviya, in spite of his intimate political association with Mr. Gandhi over many years, found himself compelled publicly to disagree with him over the temple-entry question. And while orthodox opposition to the Bills was thus being worked up to a highly emotional pitch, little enthusiasm for them had been displayed among the Depressed Classes. Mr. Gandhi's view appeared to be that vast numbers of them bitterly resented their exclusion from temples, and regarded this as the origin and explanation of all their disabilities. But it was noteworthy that some at any rate of their leaders emphatically repudiated this view. Dr. Ambedkar declared that temple-entry was an empty thing on which the Depressed Classes were not prepared to waste their resources; they were far more interested in improving their economic and social position than in gaining entry to places of worship from which the arrogance of the higher castes had hitherto excluded them. Similar views were entertained by many caste Hindus in no way ill-

disposed towards the Depressed Classes, who doubted the wisdom of diverting attention from the economic disabilities of the community to what appeared to be the less pressing need for temple-entry. Further, there was suspicion in many quarters as to Mr. Gandhi's real motives for this sudden concentration of interest on the anti-Untouchability movement.

The Bills in the Assembly.

Whatever the objects of the temple-entry agitation may have been, so far as the year 1933 was concerned it was clearly a failure. Mr. Ranga Iyer's " abolition of Untouchability " Bill was expected to come up for introduction in the Legislative Assembly on the 27th February, but owing to protracted discussions on other non-official Bills by members who were hostile or indifferent to the anti-Untouchability movement the opportunity was lost. The temple-entry Bill met with a similar fate on the 24th March. Previous efforts made by the reformers to secure priority for the Bills had been unsuccessful and the vigorous agitation of the preceding months thus yielded no material results. Orthodox Hindu opposition had shown itself to be remarkably effective and the rapidity with which interest in the whole matter henceforward subsided suggested that the pitch of enthusiasm to which the reformers appeared to have been aroused was largely artificial.

Political reactions of the agitation.

The agitation however had important political reactions. Within the ranks of the caste Hindus,—whose cohesion had been one of the remarkable features of the two preceding years,—it caused profound dissensions, and made the more conservative-minded look increasingly to Government instead of to the Congress for support. It also further weakened the civil disobedience movement, since Congressmen were given no clear instructions whether to continue devoting themselves to the party's political programme or follow their leader in his new reformist crusade. Mr. Gandhi's statement on the subject issued from jail in January was bewilderingly vague on the point; it conveyed only the general impression that if Congressmen who were at liberty chose to devote their attention solely to social reform he would have no objection. This proved embarrassing to those in charge of the direction of the party's affairs, and Mr. Rajendra Prasad, the acting President at that time, found it necessary to remind the rank and file that there were other activities to which Congress was committed besides the removal of Untouchability. Moreover, Mr. Gandhi's inconsistency in seeking Government's cooperation *via*

the Legislatures in the sphere of social reform, while advocating non-cooperation elsewhere, seemed inexplicable to a number of Congressmen.

Growth of hostility to the Poona Pact.

Brief reference may be made at this stage to the hostility that had developed in certain quarters to the provisions of the Poona Pact. This Pact, it will be recalled, had been effected in September 1932 as a result of a " fast unto death " undertaken by Mr. Gandhi to secure a revision of the Communal Decision in so far as it affected the representation of the Depressed Classes, and the negotiations that preceded it were dominated throughout by the fact that Mr. Gandhi's life was in peril. Its terms, when first announced, were not examined very closely, owing to the general relief felt in nationalist circles that Mr. Gandhi had survived. At a fairly early stage however indications of hostility to the Pact were shown by the caste Hindus of Bengal, partly no doubt because they had not been concerned in drafting it, but mainly because it required them to surrender to the Depressed Classes a quantity of seats in the new Legislature from a total which they already looked upon as less than their due. On the 14th March their simmering indignation came to a head in a resolution passed by the Bengal Legislative Council denouncing the Pact. Those who voted for it were mainly caste Hindus; the European and official members remained neutral. Dissatisfaction with the Pact also began to manifest itself early in 1933 among the Depressed Classes. Dr. Ambedkar,—one of the community's most influential leaders, who had been among the signatories of the Pact,—came out with a statement criticising the proposed panel system of election, on the ground that it would involve Depressed Class candidates in expenses they could not afford. He asked that every such candidate should be required to obtain a minimum fixed percentage of Depressed Class votes before he could be declared elected. The disadvantages of re-opening the whole question at this stage were however serious, and he ultimately, on Mr. Gandhi's advice, agreed to drop these proposals. Two points however deserve notice. Firstly, the recent display of political strength by the orthodox Hindus had evidently accentuated the fear in Depressed Class circles that, under the panel system of election, the general constituency would in most cases return the member who, from the strictly Depressed Class point of view, was the weakest of the panel. Secondly, the growth

of hostility to the terms of the Pact among sections both of the Depressed Classes and the caste Hindus emphasized that the hurried and spectacular methods adopted by Mr. Gandhi in September 1932 were not ideal for the solution of intricate politico-religious problems.

Publication of the White Paper.

Interest in the reforms question had begun to flag during February, but this was only temporary; for the publication of His Majesty's Government's detailed proposals in the White Paper was awaited with a good deal of anxiety. The length of time which elapsed between the end of the Third Round Table Conference and the appearance of this document was widely deplored; but, as the Viceroy pointed out in his speech at the beginning of the Assembly session, the delay was inevitable in view of the vast amount of work the preparation of the proposals required. The Paper was ultimately issued on the 18th March, and this event created the most intense interest throughout the country. Active controversy with regard to it however did not last very long; for the proposals generally speaking followed fairly closely the decisions reached at the Third Round Table Conference, with which the public were already familiar. The practical questions to which the publication of the White Paper gave rise, however, continued to engage public attention throughout the year.

18th March 1933.

Debates on the White Paper in the Legislatures.

The Central and provincial Legislatures soon had opportunities of discussing the proposals. The debates were temperate in tone, and criticism although severe with regard to certain aspects of the scheme was on the whole constructive. In the Council of State adverse comment was mainly directed to the powers proposed for the Governor-General and the Governors, the maintenance of the Secretary of State's control over the Services, and the proportion of the Indian revenues that would be made non-votable. The speakers contended that these provisions constituted a serious encroachment on the power of the future Legislatures, and there was general agreement that endeavours should be made to get them modified at the Joint Select Committee stage. Criticism in the Assembly, where the proposals were discussed for three days, covered every detail of the scheme and was chiefly remarkable for the moderation of the Opposition speeches. The debate was initiated by the leader of the Independent party, Sir Abdur Rahim, who made it clear that he was not prepared to condemn the scheme as a whole, but considered that unless it was substantially amended it would not

secure general acceptance. This indeed, was the burden of most of the speeches. The speakers criticised the proposed safeguards, the special powers of the Executive Heads of the Central and provincial Governments, the proposals regarding railway and army administration and the control of the Services by the Secretary of State, on grounds which were similar to those used by members of the Upper House; but the substantial nature of the advance achieved was generally implied if not explicitly recognized in what was said. The discussions in the provincial Legislatures, with one exception, were equally satisfactory. The Bihar and Orissa Legislative Council however adopted a resolution on the 22nd March characterizing the proposals as retrograde and on the whole unacceptable. In the other Councils there was no suggestion of a refusal to work the new constitution even in the event of failure to get the White Paper proposals modified in a direction favourable to Indian aspirations. The Madras Council asked for certain changes in the provisions regarding the Services, the power of legislation and certification given to the Governor, and the administration of the Army and Railway Departments, but the speakers made it clear that the demand did not involve the rejection of the White Paper. Similar views were expressed in other Provinces by the majority of non-official speakers. The degree of responsibility conferred on the new Legislatures was declared to be inadequate, but the basic principles of the reforms scheme were approved and the necessity of continuing cooperation in the further stages of the discussions emphasized.

Criticism outside the Legislatures.

Criticism outside the Legislatures, as was to be expected, was more intemperate and irresponsible, but the line of attack did not differ materially from that taken over the report of the Third Round Table Conference. In Congress circles of course the scheme was denounced as entirely unworthy of acceptance, on the ground that it fell short of the ideal of Independence to which the party had committed itself. Criticism from the Hindu Liberals was also vigorous. At the annual session of the Liberal Federation at Calcutta on the 17th April resolutions were moved by Mr. Srinivasa Sastri and supported by other influential delegates which denounced the proposed safeguards as " excessive " and " not demonstrably in India's interests "; asserted that the conditions with regard to the inauguration of Federation were unreasonable, and that the special powers conferred on the Governor-General and Governors amounted to a

negation of constitutional government; and condemned the proposals regarding railway administration and the control of the army and the Services on the ground that they would seriously diminish the authority of the new Legislatures. A not altogether relevant resolution about the general administrative situation, embodying a point of view frequently put forward by the Liberals at this period, was also passed, which appealed to the Congress, on the one hand, to abandon civil disobedience, and to Government, on the other, to release prisoners convicted in connection with it. Unquestionably there was a great deal of genuine disappointment over the details of the reforms proposals in Liberal circles, and Mr. Chintamani, an influential member of the party, went so far as to declare himself opposed to the scheme being translated into an Act of Parliament; at the same time, for reasons which will be indicated in a moment, a proportion of the Liberal criticism appears to have been inspired by tactical considerations, and there was no suggestion that the party as a whole would not work the reforms. Turning now to the other public organizations, the All-India Hindu Mahasabha and the All-India Muslim Conference were equally critical of the proposals, but their criticisms to a large extent cancelled each other out. While the former expressed great dissatisfaction with the provisions regarding responsibility at the Centre,—where the Hindus might be expected to be in a majority,—the latter declared the powers conferred upon the provincial Legislatures inadequate. Again, while the Mahasabha attacked the Communal Decision and declared that the proposed constitution was " predominantly pro-Muslim ", the Muslim Conference asked for further concessions to the Muslim point of view and more effective Muslim representation in the Federal Legislature and the Services. Both organizations expressed themselves in favour of more rapid Indianization of the Army. The Europeans and other minority groups were on the whole satisfied with the reforms proposals and in favour of working the new constitution.

The criticism analyzed.

It will be clear from this summary that among politically-minded Indians generally there was a good deal of genuine dissatisfaction with the contents of the White Paper; but if the position is to be seen in its proper perspective certain other considerations should be borne in mind. In the first place, the White Paper was not a report giving a balanced review of the effect of the constitutional proposals, but contained the outline of actual legislative proposals in which the provisions relating to safeguards and restrictions necessarily occupied more

space than the provisions under which large transfer of power to Indian hands would take place. Indian public opinion was inclined at first to overlook this point, and to interpret the proposals more in terms of form than substance. Further reflection however produced a more favourable impression, and this partly explains why the more vehement denunciations of the scheme so rapidly subsided. Secondly, there was a disposition in certain quarters to attempt to counteract the activities of the right-wing Conservatives in England by making out that Indian opinion considered His Majesty's Government's proposals more inadequate than was actually the case. There were,—and indeed still are,—the gravest apprehensions among well-informed and intelligent members of the politically-minded classes in India that, as a result of the activities of the section of the British Conservative Party represented by Mr. Churchill, the Indian reforms scheme would be substantially whittled down, and a possible way of preventing this seemed to be to belittle the degree of advance proposed. Moderate criticism of the White Paper, therefore, though inspired by genuine disappointment, was also influenced by considerations which had no relation to its actual merits. In any case, the outstanding fact which emerged from the flood of comment and criticism the proposals evoked was the widespread anxiety among all sections of moderate opinion to maintain cooperation, so as to get them modified in a direction more in accordance with Indian aspirations. The Liberals, in spite of serious dissatisfaction with certain aspects of His Majesty's Government's scheme, adhered to their belief in the efficacy of constitutional action; the Hindu Mahasabha, which had decided in the previous year to boycott the Round Table Conferences, now decided to send a strong delegation to London to represent their view before the Joint Select Committee of Parliament; and among those who accepted invitations to attend the proceedings of the Committee the late Mr. Rangaswami Iyengar was not alone in being regarded as a close political associate of Mr. Gandhi. It is noteworthy that for the first time in the history of Parliament Indian delegates were invited to confer and deliberate with a Joint Select Committee. Within Congress circles also there were signs of increasing uncertainty as to the line of action to be pursued. While the majority view was that the White Paper must necessarily be ignored and the civil disobedience campaign continued, a small but growing section began from now onwards to demand a change in programme, with a view to enabling Congress to make use of the political opportunities the new constitution would offer.

Throughout the first four months of the year persistent demands continued to be made in certain quarters for a modification of Government's policy towards the civil disobedience movement. It seems to have become habitual with Liberal organizations during these months to couple criticisms of the constitutional scheme with simultaneous appeals to Congress to abandon civil disobedience and to Government to release Congress prisoners. Reference has been made to the manifesto issued in January by the Bombay Liberals and to the resolution on the subject passed during its April session by the All-India Liberal Federation. The agitation came to a head in February and March, when discussions took place in the Assembly on the motion of Mr. Maswood Ahmad recommending the release of Mr. Gandhi and other Congressmen. The debate began on the 16th February, was resumed on the 1st March, and concluded on the 31st March after the White Paper had been published. The Opposition contended that civil disobedience was in fact dead and no risk would therefore be involved in releasing the leaders of the movement; and that what Government was really striving for was abject and humiliating surrender on the part of the country's largest political organization. It was also asserted that Congressmen, if released, would find the atmosphere so hostile to the continuance of civil disobedience that they would voluntarily abandon it and concentrate on constructive work. The Government point of view was explained by Sir Harry Haig, the Home Member, in one of his most effective speeches. He questioned the right of the Opposition to speak on behalf of the Congress. Political peace the country certainly needed, but the question was whether the course advocated would in fact promote it. If the experience of 1931 was any guide, all that the Congress wanted was to secure a breathing-space in which to gain strength for renewing the struggle in more favourable circumstances. There could be no talk of "peace" in such conditions. "If in fact Congress do not mean to revive the struggle," he asked, "why should not that be made plain?" The resolution was defeated by a majority of 19 votes,—a significant demonstration of the volume of opinion in the Legislature that approved of Government's policy. The demand for the release of prisoners continued to be put forward by certain Liberal leaders at intervals, but public interest in the subject declined.

Demand for release of prisoners.

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Further decline of civil disobedience.

We may now briefly analyze the actual course of the civil disobedience movement during the period covered by this section. Throughout, the movement was at a low ebb, and indeed consisted in little more than a series of sporadic endeavours on the part of its supporters to remind the public, by means of street-demonstrations and so forth, that it was still in existence. None of these activities caused Government any particular embarrassment. On the 4th January, there were some unimpressive partial *hartals* in various cities to commemorate the anniversary of Mr. Gandhi's incarceration. The " Independence Day " celebrations on the 26th January excited more interest, especially in the United Provinces and Bombay, but were easily dealt with. Thereafter there were no attempts at large-scale manifestations of civil disobedience for two months. No-rent propaganda and picketing however continued in the United Provinces, and boycott propaganda in Bombay and Ahmedabad. Minor activities including picketing also continued in the Madras Presidency and Bihar and Orissa, but it was clear that enthusiasm for the movement had markedly decreased, and the public generally now appeared convinced that Congress was fighting a losing battle. In view of this Government decided there would be no harm in expediting the release of prisoners who were not likely to resume civil disobedience, and from February onwards premature releases in selected cases began in several Provinces. The number of prisoners declined from 14,919 in December 1932 to 13,793 in January 1933; 13,674 in February; and 12,639 in March. The decline was shared by all Provinces.

Proposal to hold annual Congress session.

About the middle of February rumours started that attempts would be made to hold the annual session of the Congress some time during the following month, and the question arose whether Government would allow such a meeting to take place. The session attempted in Delhi the previous year had been prevented owing to the continuance of the civil disobedience movement. It was however claimed in nationalist circles that on this occasion the main object of the Congress session was to consider the White Paper and revise the civil disobedience programme. Although subsequent events showed there was no basis whatever for this assumption, the point whether the session would be allowed was raised at question-time in the Assembly on the 1st March. In his reply, Sir Harry Haig, the Home Member, said that the alleged anxiety of the Congress to discuss the White

Paper in a constitutional way was obviously inconsistent with the continuance of civil disobedience. As the Congress leaders still stood for an unlawful movement, and as it was presumed that the proposed meeting would be used for the purpose of reviving interest in it, Government had decided not to allow the meeting.

The attempt at holding the session.

In spite of this prohibition, an attempt to hold the session was made in Calcutta on the 31st March and 1st April, and as was inevitable gave rise to certain " incidents ". During the 48 hours or so prior to the day selected numerous " delegates ", including Mr. Aney and Pandit Madan Mohan Malaviya, were arrested in or while travelling to Calcutta; but a few hundreds more, mostly from the United Provinces, Bihar and Orissa, and Bengal, succeeded in evading the vigilance of the police. The subsequent attempt to hold the meeting and pass certain pre-arranged resolutions was frustrated without difficulty and those chiefly responsible were arrested, no demonstrations being made in support of them. Most of the persons arrested were released in a few days and such excitement as the episode had engendered soon subsided. The nature of the resolutions prepared for the meeting deserves notice, as constituting an effective commentary on the opinion expressed in moderate circles that the Congress wanted to consider the White Paper in a constitutional manner. That document received only the scantiest and most hostile notice, the resolutions being concerned mainly with reiterating and endorsing the Independence and civil disobedience resolutions passed at previous sessions. The decision to ban the session on the ground that it aimed at reviving enthusiasm for unlawful activities was therefore justified. An adjournment motion to protest against the action taken by Government was brought forward in the Legislative Assembly on the 1st April, but defeated by a large majority.

Allegations against the Calcutta police.

Twelve days later allegations of maltreatment of Congress delegates by the Calcutta police were made by Pandit Madan Mohan Malaviya, and a letter on the subject was addressed to Sir Harry Haig by certain members of the Assembly. He forwarded the letter to the Bengal Government for enquiry and report. On the 22nd May, the Secretary of State, replying to a question in the House of Commons, said that enquiries showed that the charges made were malicious, and it was unfortunate that Pandit Madan Mohan Malaviya had lent his name to them. The Pandit however retorted by repeating them, and asked for a public enquiry. On the 29th May, an official *communiqué*

was issued dealing in detail with the allegations. It pointed out that the attempted session took place in an open space, but that although action taken by the police to disperse it was in full view of the public and pressmen, no complaints against the police were made either in the newspapers or in the Bengal Council, which was in session at the time. As regards the charge that certain delegates had been maltreated while under arrest, it was stated that none had made any complaint to the superior police officers and such injuries as had been received appeared to be due to accident.

Other incidents in connection with civil disobedience.

In the remaining four weeks of the period here dealt with there was little further civil disobedience activity. The " National Week " celebrations in the first week of April aroused mild interest, but except in the United Provinces the demonstrations were small. At the end of April the total number of civil disobedience prisoners had undergone a further reduction of 2,000. An under-current of growing disbelief in the Congress programme was perceptible throughout the period, and indications of disillusionment and impending revolt increased after the Calcutta fiasco, which had occurred within a fortnight of the publication of the White Paper. Right-wing Congressmen began openly to ask themselves whether anything of permanent advantage was to be gained by allowing other political groups to capture the Legislatures while they themselves were engaged in playing childish games of hide-and-seek with the police.

Budget session of the Central Legislature.

The annual budget session of the Central Legislature started on the 1st February. Reference has already been made to H. E. the Viceroy's inaugural address, and to the controversy over the question of Untouchability which engaged attention at the beginning of the session in connection with Mr. Ranga Iyer's Bill. On the 28th February the General Budget was presented by the Finance Member, Sir George Schuster, in the Legislative Assembly. As its contents are described at some length in the Chapter on Finance, we shall confine ourselves here to briefly indicating public reactions to it. The budget was on the whole very favourably received; tributes were paid to the Finance Department for the accuracy of its estimates, and gratification was expressed at the marked improvement in India's credit and the general financial situation which the proposals revealed. The budget proposed no new taxation of importance, nor did it remit any; but the cut in Government servants' salaries was

reduced from 10 to 5 per cent. Criticism in the Assembly and outside was directed to the desirability of securing further reductions in expenditure, notably on the Army, but as the Finance Member had pointed out in his speech, the reduction during the year in civil and military expenditure alone amounted to no less than Rs. 90 lakhs. Government's policy of placing no check on the export of gold also came in for criticism, but this too had been stoutly defended by Sir George Schuster on the ground that it had enabled India legitimately to use her reserves to strengthen her financial position. The Railway Budget, which was presented on the 16th February, revealed a deterioration in the finances of the Railways owing to decrease in earnings. The debate on the Railway Budget was not particularly interesting, a considerable proportion of it being concerned with the old question of communal representation in the Railway Services. The most important of the various other debates which took place during the session on questions connected with Government's constitutional and administrative policy have already been briefly referred to in previous paragraphs. Among the Government Bills which were either passed or referred to Select Committees were the Finance Bill, the *Haj* Bill, the Anti-Dumping Bill, the Income-Tax Amendment Bill, and the Medical Council Bill. The session was an eminently successful one from Government's point of view.

Disturbances in Alwar State.

Before this section is concluded, mention must be made of the serious situation which developed in Alwar State,—one of the Northern-most Indian States of the Rajputana Agency, adjoining the South-Eastern portion of the Punjab,—as a result of the revolt against the State administration on the part of a section of the populace, mainly Muslim, known as the Meos. Though various factors contributed to the Meo rising, the main underlying cause was economic distress accentuated by harsh and oppressive administration. In the previous year there had been disturbances in Alwar city, originating in a clash between Hindus and Muslims during a Muslim *chadar* procession in which the State troops were compelled to intervene to restore order. At the same time there had been some agitation amongst Alwar Muslims over various grievances in connection with the State education policy, and after the disturbances a number of Muslims emigrated from the State,—mostly to Delhi and the Gurgaon District of the Punjab. A considerable propaganda on their behalf

was carried out in the communal press in British India. The situation in Alwar State gradually deteriorated, attempts to collect revenue met with resistance, and finally a serious *fracas* took place between the State troops and the Meos at Govindgarh in which there were a number of casualties. It became clear that the situation had passed beyond the control of the local authorities and Imperial troops were sent to Alwar. With their arrival confidence was at once restored. Opinion in British India was naturally somewhat concerned at these happenings, and there were clear indications of the trouble in Alwar being utilized by interested persons to embitter communal relations. The successful measures taken for the reform of the State administration led however to a rapid improvement in the position.

The communal situation.

Apart from the Alwar trouble, India was relatively free from communal agitations and disturbances during this period. This welcome improvement was doubtless in some measure due to the suppression of lawlessness generally and the removal of uncertainty in regard to the position of minorities under the new constitution.

SECOND SECTION: Embarrassments of the Congress.

The second section into which our main narrative is divided is remarkable chiefly for the reappearance in surprising circumstances of Mr. Gandhi in the political arena. The period is bounded chronologically by two fasts which he performed ostensibly for non-political purposes in May and August. The main interest of the intervening months however lay in endeavours made to restore his own and the Congress party's political prestige. At the beginning of May, when the first of the 1933 fasts was announced, the outlook for the Congress was conspicuously unfavourable. Moderate opinion, although still critical of His Majesty's Government's constitutional proposals, was undoubtedly in favour of accepting the reforms for what they were worth, and was becoming increasingly impatient of the futile obstructiveness of the Congress programme and the barrenness of its general political creed. The Hindu Mahasabha had decided that the policy of non-cooperation was definitely prejudicial to Hindu communal interests and had abandoned it; and a section of the Congress itself had begun openly to question the wisdom of continuing to sit in impotent idleness while political power was exercised by others. As a result of the change in public opinion and the effectiveness of the protective measures adopted by Government, the civil disobedience movement

had been almost brought to a standstill. Further, the anti-Untouchability movement was obviously losing momentum and looked like proving a failure also. The endeavours of the Congress to extricate itself from the morass in which it was floundering, and the signs of internal disintegration to which these struggles were giving rise, were being watched with close attention by the general public, and there seemed little doubt that unless this embarrassing interest were diverted elsewhere the process of disintegration would accelerate.

Mr. Gandhi's decision to fast.

On the 1st May, the Government of India received a telegram from Mr. Gandhi announcing that " for reasons wholly unconnected with Government and solely connected with the Harijan movement,* and in obedience to a peremptory call from within ", he had decided to undertake a three weeks' fast beginning from the 8th May. This announcement astonished both his followers and opponents. Congressmen were completely taken aback; for although he had several times recently threatened to fast in connection with the anti-Untouchability movement,—as for example during the previous January,—it was expected that if the threat materialized at all it would be on some definite and readily-comprehensible issue. It had not been supposed that the general lack of public enthusiasm over the movement or the disconcertingly vehement opposition of the Orthodox Hindus would in themselves be considered justification for anything so drastic as a three-weeks' fast. Moreover this further indication of Mr. Gandhi's obsession with the Untouchability question seemed to imply an alarming loss of interest on his part in the political objectives of the Congress movement. Already, the activities set in motion by the fast of the previous September had given the less bellicose Congressmen a convenient excuse for avoiding open defiance of the law, and to Congress " die-hards " it appeared that Mr. Gandhi had become indifferent to the disastrous effects this diversion of energy had had on the prosecution of the civil disobedience movement. In addition, there was serious apprehension among Congressmen, and in nationalist circles generally, that owing to age and physical frailty he would on this occasion fail to survive his self-imposed ordeal; and his influence with the Indian masses, and the interest taken in him abroad, were still assets of immense value to the party.

*i.e., the anti-Untouchability movement.

His release.

In Government circles, and amongst the Muslims, European and other minority communities, there was also much uncertainty regarding the causes of Mr. Gandhi's extraordinary decision. But in view of his explicit declaration that it had no political significance, it was presumed that it had been inspired chiefly by disappointment over the progress of the anti-Untouchability movement. On this reading of the position, it was felt that Government would be well-advised to consider him henceforward in the capacity of social or religious reformer, and to give him a chance of devoting himself exclusively to this work. In the circumstances the most suitable course seemed to be to release him on grounds of humanity connected with a non-political issue. On the 8th May, therefore, soon after the announcement of the fast, a *communiqué* was issued announcing that " in view of the nature and objects of the fast and the attitude of mind it discloses ", Government had decided to set Mr. Gandhi at liberty. He was released unconditionally that day.

Temporary suspension of civil disobedience.

But the inference that his interests were for a while at any rate detached from politics proved erroneous. His first act on leaving jail was to make a long statement to the press in which, after expressing the view that " the whole purpose of the fast will be frustrated if I allow my brain to be occupied by extraneous matters," he proceeded to set forth in detail his views about the general political situation and to offer advice to Congressmen regarding it. After reiterating his faith in civil disobedience and making suggestions with a view to " improving " the movement, he suggested that the acting Congress President should now suspend it for six weeks, since civil resisters would be in " a state of terrible suspense " while he was fasting. He then went on to appeal to Government to take advantage of this suspension to release all prisoners with a view to establishing " real peace " in the land. He declared, further, that civil disobedience could not be withdrawn so long as several of its leaders were " buried alive ". Mr. Aney, the acting President, obediently acted on the suggestion made to him by announcing a six weeks suspension of the movement.

Misapprehensions about Mr. Gandhi's release corrected.

Public opinion was naturally stirred by these developments, Mr. Gandhi's release and the temporary suspension of civil disobedience with which it was followed giving rise to much excited speculation. In nationalist circles, the demand was made that Gov-

ernment should respond to the Congress "gesture" by releasing all prisoners, while Government supporters strongly advocated the maintenance of the existing policy. Government's policy was however made clear in a *communiqué* issued on the 9th May in which the essentials of the position, as Government saw it, were unequivocally set forth. It was stated that the release of Mr. Gandhi had no connection with Government's general policy; that a temporary suspension of civil disobedience intended as a prelude to "peace" negotiations did not in any way fulfil the conditions which would satisfy Government that the movement had been definitely abandoned; and that there was no intention of negotiating with Congress for its withdrawal. This announcement had a reassuring effect on Government supporters, though it was represented in nationalist circles as a provocative rejection of a genuine peace offer, and the demand for a general amnesty was renewed on the 8th June in an appeal addressed to His Majesty's Government by several Hindu Liberals. These critics, however, manifestly overlooked the recent lessons of 1931; the release of prisoners that year had led to no improvement but on the contrary to a definite deterioration in the situation. They also ignored the fact that the bargain suggested by Mr. Gandhi was essentially one-sided; Congress merely suspended a movement which it was finding increasingly difficult to maintain, but which would be easier to revive if leaders like Pandit Jawaharlal Nehru and Khan Abdul Ghaffar Khan were set free; while on the other hand there was no indication or probability that the releases asked for would be followed by real cooperation.

Reactions to the fast.

Mr. Gandhi withstood the effects of his twenty-one days' ordeal remarkably well, and when it finished on the 29th May his followers heaved a sigh of relief. His recovery however was protracted, and the performance as a whole did not appear to redound as much to his advantage as had perhaps been hoped. Critics were not slow to point out that although its object was apparently somehow to ameliorate the lot of the Depressed Classes, neither Mr. Gandhi himself nor his followers gave this subject much of their attention when they were free to do so,—their main concern obviously being with the political issues the fast had raised. Some non-Congress vernacular papers also commented unkindly on the incongruity of such a feat of religious asceticism having taken

place in a millionaire's bungalow, surrounded by medical attendants and scientific appliances. These however were minor points. The most interesting fact that emerged was that the responsiveness of the Indian body politic to the stimulus of a Mahatmic fast decreased progressively with the frequency of its application. There were on this occasion clear indications that large numbers of nationalists on principle resented the use of such methods by Mr. Gandhi,—besides thinking them likely in practice to do more harm than good. Bengal Hindus, for example, were now emphatically of this opinion regarding the fast that had preceded the Poona Pact the previous September.

Increased dissensions within the Congress.

The fast and its concomitant the temporary suspension of civil disobedience also had the effect,—disconcerting to Mr. Gandhi's inner circle of admirers,—of increasing the already marked dissensions among the Congress rank and file. The immediate consequence of his proceedings in May was a further widening of the breach between the extremists and the moderates. From their retreat in Europe Mr. S. C. Bose and the late Mr. V. J. Patel denounced the suspension of civil disobedience as a betrayal of the nationalist cause, declaring that radical elements within the Congress must detach themselves and form a separate party. At a meeting held in London Mr. Bose gave an outline of the proposed new party's programme, which was definitely Communist in character; but as he and Mr. Patel were by this time out of touch with the finer currents of Indian politics their revolt had not much direct effect on the situation. The suspension was however also highly unpalatable to a considerable section of Congressmen in India, consisting particularly of the United Provinces left-wingers. Although overt civil disobedience activities were stopped in response to Mr. Aney's appeal, it was evident that this section viewed the position with increasing disfavour and was eager to renew the struggle. Moderate Congressmen in Bombay and Madras, on the other hand, whose congenital affinities with the Liberals had received fresh emphasis with every setback suffered by the civil disobedience movement, seized the occasion to demand the complete abandonment of direct action with a view to enabling Congress to re-enter the constitutional arena. So acute were the differences that none but Mr. Gandhi, it was felt, could compose them, and as his recovery was still incomplete, it was decided that the only practical course was

to extend the period of suspension by another six weeks, that is until the 31st July.

The second suspension of civil disobedience.

This decision, however, so far from stilling the storm, only intensified it. The first suspension had been accepted by the left-wingers reluctantly but as a necessary evil; the second put altogether too much strain on their patience; and in the United Provinces and Bombay, particularly, there was bitter and outspoken criticism of the leaders controlling Congress policy at that time, who were accused of pusillanimity and cowardice. Right-wing Congressmen were equally restive, since they were now convinced that civil disobedience should be definitely abandoned and some fresh policy substituted for it. A frank expression of this point of view was contained in a well-reasoned " open letter " addressed to Mr. Gandhi by Mr. Asaf Ali, a pro-Congress Muslim of Delhi, and released to the press on the 24th June. Mr. Ali roundly declared that although civil disobedience had been before the country for fourteen years, it had proved so far as political ends were concerned a virtual failure. What the Congress needed was a " new enthusiasm for a new objective ", and this could best be secured by abandoning civil disobedience and concentrating on the capture of the Legislatures. Mr. Gandhi replied to this letter reiterating his faith in non-violent *satyagraha* and asserting that he was more than ever convinced that in the complex situation that faced India there was no other way of gaining real freedom. There was thus a clear division of opinion: the extremists wanted immediate and energetic resumption of civil disobedience and all its subsidiary activities, and denounced as betrayal and treachery every attempt at compromise with Government, or even at devising some change of programme; the moderates, on the other hand, demanded the abandonment of the policy of direct action, which they considered had been proved futile, and the concentration of effort instead on building up a strong constitutional party with a programme based generally on the resolutions adopted by the Karachi Congress session of 1931.

The Poona conference: Mr. Gandhi applies for interview with the Viceroy.

To reconcile these two view-points, if possible, an informal conference of Congress leaders from all Provinces was convened at Poona from the 12th to the 14th July. Mr. Gandhi, who had by this time recovered from the effects of his fast, attended. The proceedings were supposed to be secret, but the separate press accounts tallied so closely that no doubt was entertained by the public of

their accuracy. It appears that a very substantial body of opinion expressed itself in favour of abandoning civil disobedience without attempting to open negotiations with Government on the subject, and there seemed at the outset a likelihood that this view would prevail; but Mr. Gandhi is said to have strongly opposed this course as being tantamount to a confession of defeat, and after a good deal of tactical manœuvring in order to avoid an open breach, his view was reluctantly accepted. Of the three resolutions put to the meeting, the first, in favour of unconditional withdrawal of civil disobedience, was rejected; as also was the second, in favour of the adoption of what Mr. Gandhi had called " individual " civil disobedience; and the third, authorizing Mr. Gandhi to seek an interview with the Viceroy, was passed. While there was clearly little enthusiasm in any quarter for the line of action Mr. Gandhi had persuaded the conference to adopt, it was felt that an outward semblance of unity must at all costs be preserved. On the 15th July, Mr. Gandhi telegraphed to the Viceroy asking for an interview " with a view to exploring the possibilities of peace ". In view of Government's frequent enunciations of policy on this point there could be only one possible answer; on the ground that civil disobedience had not been abandoned and that the intention appeared to be to negotiate with Government for its withdrawal the request was promptly refused.

Mr. Gandhi decides to disband Congress organizations.

Although nationalists generally professed to deplore the reply to Mr. Gandhi's overtures, this fresh manifestation of consistent adherence to a readily comprehensible policy further strengthened Government's position. And there was a widespread feeling in nationalist circles that the request for an interview, which was almost bound to be refused, had been ill-advised, and that the programme of Congress need not have been made dependent on the attitude of Government. Mr. Gandhi's explanation that he was " hankering after peace " failed to satisfy his critics, and his subsequent proceedings did not improve matters. On the 18th July he amazed Congressmen by announcing that he had advised the acting Congress President, Mr. Aney, to suspend mass civil disobedience until further notice and to replace it, despite the Poona resolutions, by what had come to be described as " individual " civil disobedience,—that is, the practice of civil disobedience by private individuals without direction and on their own responsibility. Six days

later, the new programme, prepared by Mr. Aney under Mr. Gandhi's direction, was released to the press. All mass activities were to cease forthwith, and Congress workers to offer civil disobedience individually as they chose; all Congress organizations were to cease to exist for the time being, but provincial and All-India "dictators" to continue; and Congressmen were expected to carry on such "constructive activities" for the Congress as they were fitted for. What exactly it was hoped to achieve by all this was difficult to tell, but Mr. Gandhi's view appeared to be that individual civil disobedience would enable Congress to keep up "a spirit of resistance" in the country, and that in more favourable circumstances it would automatically develop into a mass movement. Congressmen, however, seemed disinclined to take such long views, and there was much passive opposition to the new policy. Both wings of the party denounced the suppression of the Congress organizations and the inauguration of individual civil disobedience, not only because such proceedings seemed senseless, but also on the ground that neither of them had been approved by the recent Poona conference. Nationalists and moderates joined in the criticism and deplored what appeared to be the gratuitous self-annihilation of the country's largest political organization. In forcing his new policy on the Congress, Mr. Gandhi appeared to have lost touch with popular feeling.

The "individual" civil disobedience movement launched.

It was perhaps a lurking realization of this which led to the next step. Mr. Gandhi hurried to Ahmedabad, caused further astonishment by dissolving his *ashram* at Sabarmati, and then announced his intention of marching with some followers to the village of Ras in the Kaira District, urging the people on the way to start individual civil disobedience. This programme was obviously intended to revive memories of his famous march to the sea in March 1930; and as the region he had selected for his activities was one where civil disobedience had gained a great hold in the past, Government was forced to take prompt action against him. On the 1st August he was put in custody and transported to Poona. There he was released after being served with a restraint order under Section 4 of the Bombay Special (Emergency) Powers Act, but on indicating his intention of disobeying the order was rearrested, tried, and sentenced to one year's simple imprisonment. The extent to which his prestige had suffered during the previous two months

was shown by the general indifference with which his renewed incarceration was received and the continued lack of enthusiasm among his followers for the new programme. With the exception of Mr. Aney in the Central Provinces and Mr. Rajagopalachariar in Madras, there was hardly one prominent Congressman who considered himself called upon to court imprisonment. A few feeble and scattered attempts were made here and there to revive picketing and other well-known forms of civil disobedience on " individual " lines, and certain unimportant arrests had to be made; but the efforts were nowhere sustained or general. Meanwhile, despite Mr. Gandhi's renewed incitements to law-breaking, the number of civil disobedience prisoners continued to decrease. The total in April was 10,950. From this it had declined to 9,144 in May, to 6,915 in June, and 4,683 in July; and at the end of August, although civil disobedience had been theoretically revived and certain convictions had had to be made, it had declined further to 4,528. The policy of premature releases had thus had no untoward results; and the failure of the attempted revival of civil disobedience led the Bengal and Madras Governments, which had suspended premature releases till the effect of the new programme was clear, to order their resumption.

Mr. Gandhi's second fast and release.

Soon after Mr. Gandhi was lodged in jail, the question arose what facilities, if any, he should be given to carry on his propaganda against Untouchability. After the ratification of the Poona Pact in September 1932, he had, as we have seen, been given great latitude for the prosecution of this work while in jail, but the circumstances now were different. He was no longer a State prisoner, having been convicted under the ordinary law; there was no logical justification therefore for giving him special concessions of any kind. His request for them was, however, sympathetically considered, and he was ultimately told he would be allowed to see two visitors a day and to write a specified number of newspaper articles. These concessions did not satisfy him, and he announced that if he could not be permitted to work for the cause of the Untouchables " without let or hindrance " life would cease to interest him. Government adhered to the view that the facilities offered were amply sufficient for his purpose; and that if he really wished to devote himself to social reform he had only to dissociate himself from civil disobedience to secure his release. As the concessions were not enlarged

Mr. Gandhi on the 16th August started yet another fast,—on this occasion equivalent to a hunger-strike,—and on the 23rd, when he was considered to have entered the danger zone, he was again released. It was made clear that the release was for medical reasons and had no political significance, and the interest aroused by the affair rapidly subsided. It had the effect, however, of inducing Mr. Gandhi to withdraw from active participation in politics for a while, for Government made it clear that were he convicted again he would be given no more facilities for carrying on anti-Untouchability propaganda than before. Relatively little more was heard of him for the rest of the year, and with his temporary withdrawal from the political arena the curious chapter in the history of the Indian Congress which we have been describing concludes.

The constitutional problem : continued growth of spirit of cooperation.

Before we pass on to the events of the last four months of 1933 there are various other subjects which require mention. The first is the progress of work on the preparation of the new constitution. We have already seen that the publication of the White Paper was followed by a gradual change in the public attitude towards the reforms, important sections of moderate opinion rallying to the side of cooperation. This tendency was maintained during the summer. On the 16th May, the Punjab, Frontier, and Sind Hindus met in conference at Multan and decided " to cooperate and work the reforms as advantageously to themselves as they possibly could ". It will be remembered that the Hindus of the Punjab had decided in the previous year to boycott every conference or committee connected with the reforms as a protest against the terms of the Communal Decision. The change in attitude is largely accounted for by a growing belief that to ignore the reforms would be politically suicidal in view of the substantial measure of power that would be transferred as a result of them to Indian hands, though to some extent it was also inspired by a hope that even at this late stage a resumption of cooperation might enable the Hindus to secure a revision of the Communal Decision. A similar line was taken by the Hindu Mahasabha, which decided to send 11 witnesses to London to put forth the Hindu point of view before the Joint Select Committee. These developments, coupled with the growing demand amongst moderate Congressmen for the resumption of political activity on constitutional lines, indicate the measure of success

attained by the White Paper in detaching certain sections of Hindu nationalists from the policy of boycott and non-cooperation.

The Joint Select Committee of Parliament: reactions in India.

The first reactions in India to the proceedings of the Joint Select Committee were not, however, encouraging. Owing to the dearth of detailed information about what was going on and the intensity of the campaign conducted by the right-wing British Conservatives against the principles of the White Paper, there were lively fears that the Committee's report when ultimately produced would be definitely reactionary. Considerable alarm had been felt over the outcome of the meeting of the British Conservative Association on the 28th June, and this was increased a fortnight later by misleading newspaper accounts of the evidence given by Sir Samuel Hoare and Sir Malcolm Hailey before the Committee. These conveyed the impression that the measure of provincial autonomy favoured by the Secretary of State was substantially less than that proposed in the White Paper. Attention was drawn to the suggestions which appeared to be made in his statement that the Governor's Private Secretary should have the same status as a Minister, that Ministers might be appointed other than from among the elected members of the Legislatures, and that the framing of "police rules" should be in the Governor's hands. On the 15th July, 10 provincial Ministers then present in Simla waited in deputation on the Viceroy to inform him of their uneasiness, and on the 16th and again on the 19th July *communiqués* were issued to explain the position. The latter *communiqué* contained the full text of a statement made the previous day by the Secretary of State before the Committee. He had asserted that there was no ground for the inference that his attitude had in any way changed, and emphasized that his evidence must be treated as a whole. Sir Tej Bahadur Sapru and Chaudhri Zafarullah Khan endorsed his remarks. When full details of what had occurred in London became available, it was obvious that there had been a genuine misunderstanding; Sir Samuel Hoare's evidence, so far from seeming reactionary to the Indian delegates present, had created a definitely favourable impression. The incident however well demonstrated the acute sensitiveness of moderate opinion regarding any possible whittling down of the reforms.

The Reserve Bank Committee's report.

Reference must also be made to the report of the Reserve Bank Committee which was issued as a Parliamentary Paper on the 15th August. This Committee had been set up to work in London in

association with the preliminary activities of the Joint Select Committee. The action taken on the report falls within the period covered by our next section, but the recommendations of the Committee attracted much attention during the last half of August. It will be remembered that the establishment of a Reserve Bank in India was laid down in the White Paper as one of the conditions precedent to the introduction of responsibility at the Centre. Indian opinion viewed the matter with some despondency, owing to doubts whether the Bank could be established within a reasonable time. The project, however, formed an essential part of the general scheme and was advanced rapidly after the publication of the White Paper. The main recommendations of the Committee followed those placed before the Legislature by Government in 1927, and were that the capital should be held by private shareholders; that the majority of the directors should derive their mandate from the shareholders; that the governor and deputy governor (or governors) should be appointed by the Governor-General after consulting the board of directors; and that India should remain on the sterling standard, and that on this basis the exchange obligations incorporated in the Bill should be in accord with the rupee-sterling ratio at the time the Bill was introduced. In regard to the last recommendation the majority of Indian members of the Committee recorded the view that the Indian Government and Legislature should examine the changes that had occurred in the currency basis and policies of other countries with a view to ensuring that the minimum possible strain was placed on the currency system of India. The scheme recommended in the report was vigorously criticised by certain sections of Indian opinion, on the ground that a shareholders' Bank was likely to be dominated by British financial interests and that the continuance of the link between the rupee and sterling was disadvantageous to India. The further developments in the matter will be considered later.

Administrative events.

The four months covered by this second section of the Chapter were remarkably quiet administratively, and few disturbances or incidents of importance occurred. We have already mentioned that the earlier part of the year was on the whole free from communal tension,—or at any rate from communal rioting,—and ascribed this partly to the success of Government's administrative policy and partly to the removal of uncertainty in regard to the position of

the Muslims under the future constitution. Our second period presents an equally satisfactory record. Such communal clashes as took place in British India were unimportant and do not merit individual notice. There was some communal agitation in the Muslim State of Bahawalpur, in connection with certain alleged grievances of its Hindu subjects, which for a while had disquieting possibilities. The trouble was largely engineered by the communal press of British India. H. H. the Nawab of Bahawalpur however took a sympathetic attitude and the situation soon improved.

THIRD SECTION: The Viceroy's address to the Central Legislature.

The concluding section of our main narrative covers approximately the last four months of the year, and may be suitably introduced by a summary of two important speeches delivered by the Viceroy in Simla at this time. The annual summer session of the Central Legislature had started on the 22nd August, and on the 30th His Excellency delivered to a joint session of both Houses an address,—already briefly referred to above,—in which the political situation was analyzed generally. After referring briefly to certain matters of administrative interest, he reminded his audience that when addressing the two Houses in the previous February he had declared that in his opinion the march of events must carry the Congress leaders further and further away from the sterile methods of negation and obstruction. What had happened in the preceding months had fully borne out this view. Although civil disobedience continued to maintain a precarious existence through the personal influence of its author, public opinion had really discarded it, and was turning towards constructive work. With regard to the new constitution, His Excellency remarked that the work had been well maintained, and that the last and formative stage of the discussions had now been entered upon. He appealed to members of the Legislature, and other leaders of political thought in India, to see that those who would compose the future electorates were made fully aware of the great advance Government was striving to achieve through the proposals contained in the White Paper. The address was in tone and substance one of the most hopeful that had been made by the Executive Head of the Government of India for many years, and was well received in the Legislature and in pro-Government quarters generally. In nationalist circles there were some plaintive references to the desirability of slackening pressure on the Congress now that civil disobedience had ceased to be a danger to

the public peace ; these critics as usual ignored the fact that the real leaders of the movement still remained committed to the policy of direct action and would have warmly repudiated the suggestion that they wanted to adopt constitutional methods.

The Viceroy and Dominion Status.

Another speech the Viceroy delivered on the 28th August at a dinner given by the President of the Legislative Assembly merits notice in view of its clear exposition of his feelings on the reforms question and the comment this aroused in certain quarters in England. His Excellency said that whatever the demerits might be of the policy he had throughout followed, it had at least one merit, namely complete consistency; and he went on to declare that one aspect of " this policy is to push on the reforms as far as we can go, so as to help India towards responsible Government, Home Rule or Dominion Status; I am not afraid of any of these expressions ". This declaration created a very favourable impression in India.

The summer session of the Central Legislature.

The summer session of the Central Legislature lasted from the 22nd August to the 21st September. Although a great deal of important business was got through, non-official attendance was thin, owing mainly to the number of members who had gone to London in connection with the work of the Joint Select Committee. The following is a brief summary of the more important matters discussed. On the 22nd and 23rd August, questions were asked about Mr. Gandhi's fast and on the latter date a motion for the adjournment of the House on the subject of Government policy with regard to Mr. Gandhi was talked out. The debate was somewhat dramatic, since during it news of Mr. Gandhi's release was received by a non-official member before Government was in a position officially to confirm it. This fact gave rise to suggestions in the press that there had been acute differences on the subject between the Bombay Government and the Government of India. These however were dispelled on the 31st August when the Home Secretary, Mr. Hallett, stated in the Council of State that the action taken by the Bombay Government had the full approval of the Government of India and the Secretary of State.

On the 23rd August, questions were asked about the hunger-strike which had taken place a short time before among terrorist prisoners in the Cellular Jail at Port Blair in the Andamans. Some 39 prisoners had taken part in this strike, which lasted from May 12th till June 27th; artificial feeding had to be adopted in many cases and in one case a prisoner's resistance to this treatment in his

weakened state caused severe shock and led to his death. Two other prisoners also died of pneumonia, but these deaths were not directly due to the hunger-strike. Though this was not the only hunger-strike which occurred during the year, it attracted much public attention, mainly because of the deaths which occurred in the course of it. The policy of Government in sending prisoners to the Andamans was criticised and attempts were made in some quarters to stir up sympathy for these criminals. In reply to the questions in the Assembly the Home Member, Sir Harry Haig, explained that as the original demands of the prisoners had been put forward under threat of hunger-strike, they could not be considered until the hunger-strike was withdrawn. When that was unconditionally abandoned Government after due investigation decided to introduce certain changes in respect of the treatment of the prisoners. A resolution urging the appointment of a committee to investigate, *inter alia,* the grievances of these prisoners was moved on the 11th September by a non-official member in the Council of State and in replying to the debate, the Home Member took the opportunity of making it clear that there was nothing in the grievances alleged by the prisoners that justified a hunger-strike; nevertheless the grievances were put forward under that threat and no jail administration could be expected to concede demands so put forward. He also explained that the prisoners sent to the Andamans were those who had been guilty of crimes of violence or attempted violence in connection with the terrorist movement and that as long as they remained in Bengal local conditions made them a focus for the encouragement of terrorism. The policy of sending the most dangerous criminals to the Andamans was an essential part of the campaign against terrorism and Government had no intention of being deflected from this policy by hunger-strikes of prisoners, or by resolutions and manifestoes, based often on misunderstanding and misrepresentation, which attempted to stir up sympathy for them.

On the 24th August, Mr. Ranga Iyer's Temple-Entry Bill, which had aroused so much controversy during the previous session, came up for discussion. The motion for circulation was passed, but the debate proved lifeless and perfunctory, and it was obvious that Mr. Gandhi's reformist agitation had lost much of its drive. The Home Member explained afresh the attitude Government had decided to adopt towards the measure when sanction to its introduction had originally been given. On the 28th August, the Indian States Pro-

tection Bill and the Cotton Industry Protection Bill were introduced. The object of the former,—a very important measure,—was to protect the administrations of Indian States from activities in British India tending to excite disaffection towards them; after a debate of considerable interest the House agreed to its being circulated on the 9th September. The latter Bill, which was passed on the 6th September, provided for the continuance of the protective duties against certain classes of non-British piecegoods till the end of March 1934. On the 31st August, a measure of considerable importance in relation to certain transport problems, known as the Rail-Road Bill, was passed. On the 4th September, the House discussed the Kotkai bombing. On the 31st August, the Foreign Secretary, Mr. Metcalfe, announced in the Council of State that as a result of representations made by His Majesty's Government, certain Madrasi bankers who had been expelled from French Indo-China had been allowed to return. The Upper House also discussed on this date the question of the transfer of the control of Aden from the Government of India to the British Government, and adopted an amendment to the effect that while the military and political administration might be transferred to Imperial control, the civil administration should remain with the Government of India. On the 6th September a motion for the release of political prisoners was discussed in the Council of State. The usual argument was used by the sponsors of the resolution that such action would create " an atmosphere of goodwill for the successful working of the reforms ". Mr. Hallett, the Home Secretary, re-affirmed Government's well-known attitude in this matter, pointing out that unless there were convincing reasons to believe that a general release would not be followed by a revival of the movement no change of policy was possible. The resolution was rejected. On the 8th September the Reserve Bank Bill was introduced in the Assembly. In introducing it Sir George Schuster, the Finance Member, declared that " the setting up of the Bank is an important step towards the new constitution, and we are anxious to demonstrate in a practical manner that we are determined to prepare the way for making the constitution a reality ". This important Bill was referred to Select Committee on the 14th after a motion for circulation had been defeated. On the 12th an adjournment motion to discuss Government's attitude towards an English-owned newspaper of Karachi which had made certain remarks in poor taste about Mr. Gandhi's fast came up in the Assembly and was talked out. From the 16th to the 19th the

Assembly discussed the question of the proposed transfer of Aden, and passed an amendment protesting against relinquishment of control by the Government of India. The session as a whole was a successful one from Government's point of view. Apart from the important measures mentioned above, several others of less importance were passed, and the general support given by the Legislature to Government in the previous session was well maintained.

The Congress and Pandit Jawaharlal Nehru.

We must now turn again for a while to consider the affairs of the Congress. At the beginning of September, Mr. Gandhi having temporarily withdrawn from politics, and " individual " civil disobedience being obviously a failure, Congressmen of all schools of thought were anxiously casting about for some means of checking the infective paralysis from which the party was suffering; and the impending release from jail of Pandit Jawaharlal Nehru, which was due early in the month, was thus looked forward to with the liveliest interest. While great hopes were entertained that the Pandit would succeed in restoring the Congress to health, opinions differed widely as to the remedies he would prescribe. Amongst moderate Congressmen the view evidently was that he would lend his support to a " realist " policy, which in their eyes implied the abandonment of civil disobedience and the concentration of effort on organizing a constitutional party. The left-wingers, on the other hand, believed he would signalise his return to active politics by overthrowing the futile policy of " individual " civil disobedience and taking steps to revive direct action on a mass scale. In the end, as we shall see, he disappointed both sections, and concentrated throughout the rest of the year mainly on propagating certain " advanced " social and political theories of his own. As the interest of the period so far as Congress is concerned is chiefly centred in his activities, we propose to analyze them in some detail.

The Gandhi-Nehru correspondence.

Soon after his release Pandit Nehru had prolonged conversations with Mr. Gandhi, the result of which was embodied in an exchange of letters between them and released to the press. In his first letter, the Pandit explained that in view of the prevailing confusion in Congress politics, he considered it desirable " to review the basic features of the Indian problem ". The Congress objective was " Independence ", including necessarily full control of the army, foreign relations and economic policy; but in regard to the latter the position needed further elucidation. Freedom would have

no meaning for the Indian masses unless their economic condition was improved, and no change was possible if the vested interests continued to enjoy their privileged position. The problem of achieving freedom therefore resolved itself into a " divesting of vested interests ". The first of these to be dealt with would be the British Government; next the Indian Princes; and last the moneyed and other privileged classes. As regards the method to be followed, there was obviously no fundamental difference between individual and mass civil disobedience, and any organizations which felt strong enough had full liberty to resort to the latter; nor was it correct to suppose that Congress had been dissolved, since no one individual had the power of dissolving it, and Mr. Aney had merely made a suggestion which could have no binding force until it was accepted by the organization as a whole. It was necessary, further, for the Indian movement to range itself, if only at present ideologically, with progressive world forces, so that in the event of an international upheaval it might not remain isolated. Finally, the real significance of the Round Table Conference must be understood; the proposed reforms were designed solely to consolidate the vested interests in India behind the power of the British Government. In reply to this letter, Mr. Gandhi said that he was in complete agreement with Pandit Nehru over ideals, but that there were " temperamental differences " between them. Thus while the Pandit considered it necessary to emphasize the goal, he himself was principally concerned with " the conservation of the means ", for if the means were properly used the attainment of the goal was assured. He noticed further that Pandit Nehru had said nothing about constructive activities such as the anti-Untouchability campaign, which were an integral part of the Congress programme, and could be undertaken by those who wished to keep out of the active political aspect of the movement.

Pandit Nehru's political philosophy.

Thus at an early stage it was made clear that there was no prospect of the Pandit supporting the demand for the withdrawal of civil disobedience. His attitude appeared indeed more intransigent even than Mr. Gandhi's, for while the latter had been prepared to suspend the movement in its mass aspect in the interests of Congress unity, Pandit Nehru appeared to rule out all possibility of a compromise. The principles on which his views were based were assiduously preached throughout the rest of the year. In October he contributed a series of articles to the nationalist press entitled " Whither

India ? ", in which he recapitulated his views about the Congress goal. " India's immediate objective ", he declared, " can only be considered in terms of the ending of the exploitation of her people; politically it must mean the severance of the British connection, which means Imperialist domination; economically and socially it must mean the ending of all special class privileges and vested interests ". A recognizably Communist twist was thus being given to the party's policy, the aim evidently being to direct it primarily towards awakening and then exploiting a consciousness of economic grievance among the peasants and industrial labourers. The Pandit's eager political interests in the conditions of the tenants in the United Provinces was already well-known, and he was not slow now to demonstrate an equal concern for urban workers. During the Christmas holidays he addressed a conference of left-wing Trade Unionists at Cawnpore on the evils of capitalism and the necessity of proper organization for the achievement of economic and political freedom. Further emphasis was given to these ideas in speeches delivered in Delhi and elsewhere, and during November he made a vigorous and unexpected attack on the Hindu Mahasabha, for as he described it furthering the interests of the Princes and richer classes under the cloak of Hindu communalism. This attack, which caused great offence in quarters from which the Congress had hitherto derived substantial support, was followed shortly afterwards by a denunciation of the policy of the Muslim leaders. Finally, towards the end of the year, he openly proclaimed his sympathy with Communist ideals in a letter to a British correspondent which was given considerable publicity. " The choice before the world today ", he said, " lies between some form of Communism and Fascism, and although I do not approve of many things that have been done in Russia, my heart and mind are all for the former ".

The demand for a meeting of the All-India Congress Committee.

Such rough and impetuous handling of highly delicate issues naturally did little to restore harmony within the Congress ranks. Right-wing Congressmen in particular were greatly perturbed by the Pandit's economic doctrines, on the ground that they were creating a fresh and quite unnecessary cleavage among Indian nationalists at a time when unity was more imperative than ever. There would be time enough, held these critics, to consider such matters when India had attained " political freedom." The Pandit's opposition to the withdrawal of civil disobedience was also condemned by this section

as indicating an astonishing lack of realism. Being persuaded that they would have the majority of Congressmen behind them in demanding some change in programme, the Congress moderates now began to demand a meeting of the All-India Congress Committee. But in this they found themselves strongly resisted both by Mr. Gandhi and Pandit Nehru. The latter, while expressing his willingness to convene a meeting if he received the necessary requisition, made it clear that he thought such a step uncalled for, since there was already a definite programme before the country; and although individual Congressmen of the moderate persuasion continued to clamour for a meeting throughout the year the requisition was never actually submitted. On the 11th December a question was asked in the Legislative Assembly with the object of ascertaining what Government's attitude would be towards such a meeting were it decided to convene it. In his reply the Home Member stated that the fact that the All-India Congress Committee had not been declared unlawful was fortuitous, and that in Government's view if Congress really wished to change its policy, no formal meeting of this or any other Congress body was necessary. It had not been found necessary to hold a meeting of the All-India Congress Committee when civil disobedience was inaugurated in January 1932, or when an important change in the party's policy was decided upon in July 1933. This reply was denounced in nationalist circles on the ground that it would check the swing of opinion within the Congress towards constitutional activity, but it was obviously fully consistent with Government's general policy; and it was impossible to refute the Home Member's contention that what prevented the moderates from making their demands effective was not the question whether a meeting could or could not be held, but the fact that the most influential Congress leaders were still resolute in opposing any change.

Tentative formation of new parties by Congress moderates.

Towards the end of October, small groups of Congressmen in Bombay and Madras, finding it impossible to induce Mr. Gandhi and Pandit Nehru to consent to a modification in the party's programme, decided to set up separate political organizations known as the Democratic Swaraj and the Congress Swaraj parties. The Madras party, however, never showed much sign of life. Both parties based their programme on the Karachi Congress resolutions, and aspired to capturing the Legislatures and other bodies with a view to gaining the Congress goal by constitutional means. Their policy

rested on the conviction that the boycott of the reforms would be politically suicidal, and that the extension of the franchise proposed made it necessary for advanced sections of Indian opinion to start organizing the electorate immediately. Pandit Nehru ventured on certain sarcasms at the expense of the Bombay party, declaring that its leaders appeared to believe in the principle of " safety first ", which caused much resentment in the Mahratta region, where the party seemed likely to obtain a considerable hold. At about this time there were some important resignations from the Congress Working Committee, both Dr. Mohammad Alam and Seth Jamnalal Bajaj surrendering their posts. It was noteworthy also that Mr. K. F. Nariman, another member of the Committee, soon after emerging from jail, started publicly criticising the policy to which Pandit Nehru and Mr. Gandhi had committed the party in very outspoken terms. Finally, Pandit Nehru's denunciation of the Hindu Mahasabha greatly offended the leaders of that organization and accentuated their growing estrangement from Congress.

Practical cessation of civil disobedience.

Active manifestations of civil disobedience continued to diminish during the last four months of 1933 and by the end of the year the movement was practically non-existent. Mr. Gandhi's attempt to revive it in the " individual " form had never shown the least sign of capturing the public imagination, and although Pandit Nehru's release in September inspired a few Congressmen in the United Provinces to resume picketing and similar activities, this revival was but temporary. The number of prisoners, which had been 4,528 in August, declined to 4,299 in September, 3,861 in October, 3,312 in November, and 2,778 in December. These figures contrasted markedly with the total for the beginning of the year,—namely 13,793,—and with that for April 1932,—32,524,—when the movement was at its height. The various factors which contributed to this result have already been described, but may perhaps without wearying the reader be recapitulated at this stage. The first was the vigorous and consistent pressure exercised by Government against the movement, which had the effect of convincing numerous Congress sympathizers of the unwisdom or undesirability of organized political lawlessness. Next came the differences of opinion among the Congress leaders, which were due largely to the increasing belief on the part of the moderates that they could get what they wanted better by using the reformed or even the existing Legislatures than by direct action.

And last, Mr. Gandhi's withdrawal from active participation in politics, and Pandit Nehru's preoccupation with unfamiliar and impractical economic theories, thoroughly disillusioned the rank and file.

Since the development of Pandit Nehru's views was the dominating feature of Congress politics during the last third of the year, it is worth while attempting to analyze their significance. In many ways his attitude differed radically from that of Mr. Gandhi. The latter, as we have seen, after getting out of jail, had directed his energies to re-opening "negotiations" with Government regarding the withdrawal or continuance of civil disobedience; and on failing in this had striven hard to resurrect the movement in a modified but troublesome form more suited in his opinion to the circumstances then prevailing. Pandit Nehru, on the other hand, although strongly opposed to any formal withdrawal of civil disobedience, seemed relatively indifferent to the degree of vigour with which it happened at that particular moment to be conducted. His eyes were on the future; at some date within it would come the real revival, when conditions were judged fully ripe for it. Reorganization of the Congress on the basis of a clearer ideology was the immediate need; and he accordingly applied himself to the task of giving Congressmen a more accurate notion of their political objectives, on the perhaps over-sanguine assumption that the paralyzing confusion of thought that prevailed amongst them was readily remediable. Congress political philosophy had always been rather nebulous, and had been rendered more so of late by Mr. Gandhi's attempt to incorporate in it certain doctrines connected with the problem of Untouchability. The Pandit made no attempt to conceal his belief that the anti-Untouchability campaign,—in its religious aspect,—was as unnecessary as the growing hankering after the ballot-box on the part of the Congress right-wing. Undesirable and retrograde developments of this type, he evidently believed, could be effectively checked by re-directing attention to the extreme implications of the policy to which Congress was already officially committed. And these, as he conceived them, were fundamentally economic. As the year advanced his Communist sympathies became increasingly apparent, and he seemed entirely regardless of the alarm with which this was viewed by large numbers of sincere Congressmen, and of warnings that by arousing

Analysis of Pandit Nehru's activities.

class antagonism at this stage, before " freedom " had been won, he would inevitably check the progress of the nationalist movement. There were indeed indications that he would actually have welcomed a rupture with the " bourgeois " elements from which the Congress had in the past derived support. Henceforward, in his opinion, the most effective instrument for obtaining " complete Independence " from the " Imperialist domination " of Britain, would be mass agitations based on a developed consciousness of economic injustice among the peasants and industrial labourers.

Mr. Gandhi's anti-Untouchability campaign.

We may conclude our account of Congress affairs with a brief reference to the progress of the anti-Untouchability campaign. During the first week of November Mr. Gandhi started an All-India propaganda tour in its interests, and by the end of the year had visited the Central Provinces, Delhi and parts of the Madras Presidency. There was some obstruction by orthodox or " Sanatanist " caste Hindus at the outset, but during the rest of the year he seems to have encountered little direct opposition. The propaganda consisted largely of appeals to Hindus to contribute to a fund which he had opened for furthering his programme, to throw open temples to Untouchables, and to modify certain social practices with regard to them. Mr. Gandhi's meetings were generally crowded, and the tour clearly proved that the feeling of personal respect for him among the masses was still strong. Moreover, in certain places, his propaganda had beneficial practical results in directing attention to the desirability of proper housing for Untouchables. On the other hand, the sums collected, although considerable, were not large, presumably owing to lack of enthusiasm among the richer classes; and reports were received that in some areas the pressing nature of Mr. Gandhi's demands for cash and jewellery, coupled with the haste of his arrivals and departures, caused annoyance. The campaign was at first extensively reported in the nationalist press, but active popular interest proved difficult to sustain. Some counter-propaganda appears to have been carried on in Mr. Gandhi's wake by " Sanatanist " Hindus and sections of the Depressed Classes. The tour had no political consequences of importance apart from the marked revival of interest in Mr. Gandhi's personality; whether it will have any lasting effect on the problem of Untouchability depends to some extent on how the funds collected are expended.

The report of the Select Committee on the Reserve Bank Bill.

We have mentioned that the Reserve Bank Bill was introduced in the Legislative Assembly during the Simla session and referred to a Select Committee of both Houses. The Committee began its sittings on the 23rd October. Government's evident desire to press rapidly ahead with the work seems at first to have aroused some suspicion, but it was recognized subsequently that the only reason for it was to get the issue definitely settled so as to prevent its delaying the introduction of the new constitution. The questions which aroused most controversy were whether the capital should be owned by the State or private shareholders and whether the Legislature should be empowered to alter the rupee ratio if it wished. Simultaneously, in the public press, there was a sudden and vigorous revival of the old agitation for a devaluation of the rupee relative to sterling. The differences of opinion in the Committee proved acute, and it was found impossible to compose them. The majority accepted Government's proposals; but a minority of nine demanded the establishment of a State Bank and recommended the devaluation of the rupee; and four members wrote separate minutes of dissent dealing with matters both of detail and principle.

The special autumn session of the Central Legislature.

A special session of the Central Legislature was held from the 20th November to the 22nd December to consider the Bill. In opening the debate, the Finance Member, Sir George Schuster, explained several points about which public opinion had expressed itself apprehensive. He pointed out that although in the statutory provisions no distinction could be drawn between Indian-born and British-born subjects, in practice the majority of the shareholders would be Indians; there was no real danger of control of the Bank passing into non-Indian hands. As regards the proportion of Indian directors and officers of the Bank, he remarked that any statutory provision on the subject would be undesirable, but Government was prepared to give an assurance that of the three officers one at least would be a duly qualified Indian, and that in nominating the first directors the Governor-General would exercise his power to ensure a proper representation of Indians. Finally, in regard to the question of a change in the rupee-ratio, Sir George Schuster declared emphatically that the question did not arise in connection with this measure at all; the question before the Legislature was whether it wanted a Reserve Bank, not whether it wanted the

existing ratio; the latter already had statutory force and all that was proposed was to superimpose the machinery of the Bank on the existing position. Subsequent discussions in the Assembly on the Bill were protracted owing to the large number of amendments that had been tabled. On the important clauses, however, Government secured the amendments' rejection, and the Bill was passed on the 22nd December. Its passage by the Council of State had to be postponed till the budget session of 1934. The successful piloting of the Bill through the Assembly was an event of considerable importance, since it marked a further stage in the progress of the constitutional scheme and was in keeping with the Secretary of State's pledge that everything possible would be done to expedite the inauguration of responsibility at the Centre. It also demonstrated the fact that Government's policy had strong support from public opinion.

Attitude of the moderates towards the reforms.

We have seen that in previous months moderate opinion had been rallying in favour of cooperation; this tendency, despite some indications of restlessness at the protractedness of the proceedings of the Joint Select Committee of Parliament, was generally maintained during the concluding four months of the year. The All-India Hindu Mahasabha, at its annual session held at Ajmer from the 14th to the 16th October, passed a resolution re-affirming the organization's recently acquired belief in the importance of Hindu participation in the work of the Legislatures. It declared that the community could " no longer afford to ignore the various means open, in and out of the constitution, to promote and protect its interests ". Another resolution, directed against Pandit Nehru's activities, deplored the initiation of class movements advocating the extinction of landlords and capitalists. The speeches delivered were markedly communal in tone, but the chief significance of the proceedings lay in the fact that the premier Hindu organization in the country had now definitely announced its disbelief in the methods and policy of Congress. Opinion thus continued to strengthen in favour of constitutional methods, but criticism of the details of the White Paper was also maintained. On the 7th December, Sir T. B. Sapru's memorandum to the Joint Select Committee was released for publication. It summed up the general nationalist attitude towards the reforms to which references have previously been made, and offered certain definite suggestions with

a view to liberalizing the scheme. Sir T. B. Sapru emphasized the necessity of introducing responsibility at the Centre at an early date after the establishment of provincial autonomy, and asked for a clear definition of India's constitutional position, so that there might be no further differences of opinion in regard to the ultimate objective. There was published at the same time a joint memorandum to the Committee by all the British Indian delegates who were still in England when their conferences with the Committee terminated, explaining the modifications which they sought to make in the White Paper proposals. Resolutions criticising the reforms on more or less familiar lines were also passed by the All-India Liberal Federation at its annual session held in Madras between the 26th and 28th December. Finally, throughout the period under review, there was persistent talk in moderate circles of holding an " All-Parties Conference " with a view to exerting pressure on Government to liberalize the constitutional scheme.

Muslim agitation regarding the Palestine disorders.

Before we proceed to the section of this Chapter that deals with the problems of terrorism and Communism there are various miscellaneous subjects that require mention. The first is the reaction in India to the disturbances that took place in Palestine during November. News of the outbreak, and of the police action that had had to be taken against Arab rioters, caused perturbation in Muslim circles, where the generous policy of Britain, the mandatory Power, towards the Jews in Palestine, as laid down in the Balfour Declaration, had always been viewed with strong disfavour. A deputation of Muslims waited upon the Viceroy to protest against the action taken against the demonstrators, but the agitation rapidly subsided as soon as orderly conditions were restored. It was clear, however, that should Jewish immigration into Palestine cause further trouble there, Muslim agitation in India against the Balfour Declaration would be actively revived.

The future of Berar.

An important announcement on the future administration of Berar was made by H. E. the Viceroy on the 29th November during his visit to Hyderabad. Public opinion, it will be remembered, had for a long time been somewhat agitated as to the position of Berar under the new constitution. The Viceroy's announcement was to the effect that Berar would continue to be administered jointly with the Central Provinces, the joint Province occupying under the new constitution a position analogous to that of a Province

of British India,—though arrangements would be made to mark the Nizam's sovereignty over Berar. The announcement was generally approved by Indian public opinion.

The report of the Orissa Committee.

On the 20th December, the Committee appointed to investigate the administrative problems which would arise when the new Province of Orissa was formed issued its report. The Committee recommended that Cuttack should be the capital of the new Province, with Puri as the summer headquarters. The creation of a small High Court was also recommended—on the novel basis of vesting the three Puisne Judges with jurisdiction to do the work that in the major Provinces district and sessions judges do on the original side—but not that of a University ; and the Committee expressed the opinion that a self-contained *cadre* for the All-India Services within the Province was impossible and suggested a joint *cadre* with Bihar. The capital cost of the various recommendations including expenditure on buildings was estimated at about Rs. 39 lakhs.

FOURTH SECTION : The Meerut Conspiracy case ; the Sessions Court Judgment.

Nothing has been said in the three preceding sections about terrorist and other revolutionary activities, since although they remained very much alive, and called for constant vigilance on the part of the forces of Government, they exercised during 1933 relatively little influence on the main stream of political events. Our account must start with a brief description of the last stages of the Meerut Conspiracy Case. This important trial, which lasted for nearly four and a half years and cost Government over Rs. 18 lakhs, was concluded before the Sessions Court on the 15th January 1933. The facts of the case have been touched upon in previous reports, but the decision of the trying Judge, Mr. Yorke, may be briefly summarised. His judgment recorded that the Communist International in Russia aimed at bringing about revolutions for the overthrow of existing Governments throughout the world by means of armed risings, and establishing Soviet Republics in their place; that the International worked to that end through branches such as the Communist Party of Great Britain and auxiliary organizations such as the League against Imperialism and the Young Communist League, some of which, though nominally independent, were controlled by the parent organization; that India was selected as a field for operations as one of the most likely places for the next advance towards world revolution and one of the weaker links in the capitalist chain ; that the methods adopted included incitement of antagonism between

capital and labour, the development of labour organizations worked apparently for the benefit of their members but actually for the promotion of the Communist programme, the encouragement of strikes, and the conduct of propaganda by speeches and leaflets; and that the accused in the Meerut Case took part in this conspiracy, which aimed at depriving the King of the Sovereignty of British India. The Judge convicted 27 out of the 30 accused and sentenced them to various terms of transportation and imprisonment, ranging from transportation for life to rigorous imprisonment for three years.

The Appeal judgment.

The sentences were severely criticised in nationalist circles in India and also by supporters of the Labour Party in Britain, on the ground that the accused were guilty of nothing worse than holding radical ideas in politics, and that the punishment inflicted on them was far too severe. But the appellate judgment of the Allahabad High Court which was announced on the 3rd August,—although remarkable primarily for its substantial reduction in the sentences imposed,—fully vindicated Government's action in starting the prosecutions and generally supported the findings of the sessions judge. The appeal judges took a serious view of the conspiracy, asserting that " in this case the Government has not prosecuted anyone for his opinions; the gravamen of the charge,—which as regards a large majority of the accused has been proved,—is that they have endeavoured to put their opinions into practice." They went on to declare that " the reason why nothing substantial was done by the accused was the alertness and strict vigilance of the police, who were able to discover the conspiracy at an early stage and constantly watched the conduct of all the accused till their arrest." The judges also referred in forcible words to the danger of such activities in a country such as India. They gave it as their opinion that " when a seditious appeal is made to illiterate and ignorant workers and peasants, when organized propaganda is carried on among them, particularly during strikes, and when inflammatory speeches are made, it is not possible to look upon such conduct merely with contempt on the ground of its futility; such a course of action might well lead to a serious general strike, a widespread breach of the public peace, and bloodshed." Owing mainly to the fact that the prisoners had already spent a long period in jail the sentences imposed on them were however much reduced; 9 of them were given the benefit

of the doubt and acquitted, though it was made clear that they had themselves largely to blame for their prosecution. Finally, the judges drew attention to the defects in the law and the obstructive tactics of the accused, which were mainly responsible for the protractedness of the trial.

The extent of the Communist menace.

The judgment had, on the whole, a favourable reception. But although there was no doubt that with regard to all the fundamentals of the case it had clearly vindicated the prosecution, the wisdom of Government in having initiated the trial continued to be vigorously called in question in nationalist circles. The conditions that prevailed in India at the time the case started, particularly in the industrial centres of Calcutta and Bombay, had been forgotten. In the year 1928 there had been much labour unrest in various parts of the country, of which Communist workers had been quick to take advantage. In particular they succeeded in exploiting the discontent felt by the cotton operatives in Bombay and the railway workers in Lillooah near Calcutta in such a way as to bring about a temporary paralysis of essential services and important industries; riots and attacks on the police were frequent, and every effort was made to stir up hatred not only against servants of the Crown but against employers of labour, landlords, and the propertied classes generally. Agents sent from Britain had taken a prominent part in working up this situation, and had joined forces with Indian Communists recently released after serving sentences in connection with the Cawnpore Conspiracy Case of 1924, and with agitators in the rural areas of the United Provinces and Punjab. The activities of these conspirators became such that it was essential to take action against them, and their trial at Meerut, apart from establishing the general fact that the aim of the Communists was the violent overthrow of the Government established by law in India and the forcible expropriation of the propertied classes, had the specific effect of seriously disorganizing the Indian Communist movement. The menace however remains, and has intensified since the end of the period dealt with in this report. It is clear that the Communist International has by no means given up its plans against India or abandoned its general policy, and that should a favourable opportunity for extending its influence occur it would eagerly take advantage of it. Moreover it became increasingly evident during 1933 that the agitators who carry out the policy of the Communist International and the

Indian terrorists whose activities we will consider in a moment have nowadays a great deal ideologically in common, and, so far as they differ, do so over means rather than ends. The former aim at overthrowing the established Government by means of violent mass revolution: the latter at achieving the same object by individual assassination and outrage. But since the expediency of the second method under existing conditions had begun to be called in question among terrorist organizations, there was a pronounced tendency for these two enemies of society to join hands.

The terrorist movement: its origins and extent.

The terrorist movement has been a grave menace to the peace of India for many years. Its centre has always been Bengal, but from time to time it has temporarily extended thence, first to Northern India, and more recently to the Madras Presidency and Assam. In Northern India it has been kept under control without the introduction of special legislation, except to expedite trials, and there have been few open manifestations of the movement there during the last year or two. In Bengal, however, the ordinary law has not sufficed and has had to be substantially supplemented. The Bengal Criminal Law Amendment Act of 1925 framed for this purpose expired in the early part of 1930, by which time a considerable reduction in the number of terrorist outrages had been effected. It was, however, quickly apparent that the terrorist organization had not been crushed, for, in April of that year, the spectacular Chittagong Armoury raid took place. The Bengal Criminal Law Amendment Act was immediately re-introduced by Ordinance and was subsequently replaced on the Statute Book by the Bengal Legislative Council. Nevertheless, for some time, the number of terrorist crimes in the Province mounted steadily, bringing about a situation of the utmost gravity. One reason for this was that the expiry of the Act of 1925 had entailed the release of all persons interned under it, and many of them had forthwith reverted to their former activities. Even after powers for dealing with the movement had been restored, some time inevitably elapsed before fresh information to justify the detention of these and other persons was obtained. By 1932 the movement had become so dangerous and widespread that further protective measures against it had to be taken. During 1933 no additional legislation was passed, but the existing Acts were extended to other areas. The troops which had been sent to Bengal in 1932 remained, and apart from the practical assistance they have

afforded the police their presence has had an excellent moral effect, in providing a visible manifestation of the powers of Government, which had perhaps been insufficiently exhibited in the past.

The position in 1933 relative to previous years.

The achievements of the terrorists during the three years 1930, 1931, and 1932 constitute an appalling record. In the first year the total number of outrages, which includes murders, dacoities, bomb outrages, robberies, and attempts to commit these offences, as well as armed raids, amounted to 36. This was nearly doubled in 1931, when a total of 66 was recorded, and the 1932 figure, 94, showed yet a further large increase. Actually, however, after the outrage at Pahartali near Chittagong in September of that year, a gradual improvement began. This was well maintained during 1933, and the total number of outrages for the year in all the above classes was 43. During the first eight months of the year the number of outrages had been reduced to the relatively small total of 12. In January, two armed dacoities were committed by *bhadralog* youths in Howrah and Tippera, and an attempt was made in Dacca to rob a British soldier of his revolver. During May and June some armed dacoities were committed in various parts of the Province but mostly without much success. The only major outrage during these eight months was the murder of the Commissioner of Police in the French territory of Chandernagore on the Hooghly, North of Calcutta. The improvement was due to the combined effects of the internment of important terrorists and police successes in frustrating new plots and seizing arms and explosives. In January sufficient information was acquired to institute an important conspiracy case which was still under trial at the close of the year. In February, Surjya Sen, the absconding organizer of the Chittagong Armoury raid, was captured along with two others. In May, another absconder in this case named Dastidar, together with a woman named Kalpana Dutt, were arrested in Chittagong; and in the same month Dinesh Mazumdar, a convicted terrorist who had escaped from jail, was captured with some other dangerous absconders in Calcutta. During the same period the police were successful in effecting several important seizures of arms. The biggest hauls took place in Calcutta. On the 22nd July three Chinese seamen were arrested there in possession of 5 pistols, a revolver and 500 rounds of ammunition; and in August and September over 200 sticks of dynamite, 120 detonators, 9 revolvers, 1,000 rounds of ammunition, and several live bombs were

discovered. On the 2nd of September, however, a further terrorist outrage of the worst type occurred. Mr. Burge, the District Magistrate of Midnapore, was shot dead by two youths as he was about to take part in a local football match. The murder had a profound effect on Indian public opinion outside Bengal and also to some extent within it,—mainly no doubt because it was the third of its kind perpetrated in Midnapore within three years. Mr. Gandhi qualified his condemnation by including in it a criticism of what he described as Government's " counter-terrorism "; but apart from this, and some equivocal comments in certain Calcutta newspapers, the outrage appears to have caused more widespread horror than any that occurred during the three previous years.

While the number of outrages committed is the most obvious criterion for assessing the extent of the terrorist menace, it is not, unfortunately, the only one. The commission of outrages depends on the existence of men willing to perpetrate them, the possession of weapons, and the occurrence of opportunity. The police throughout 1933 were engaged in an arduous and ceaseless struggle to discover the more dangerous men, to deprive terrorist suspects of arms, and to protect possible victims. That they achieved substantial success in this, as compared with the preceding years, is evident. But there were excellent reasons for believing that adherents of the terrorist cult were still very numerous. This was apparently due to widespread persistency of belief amongst Bengali *bhadralog* Hindus in the efficacy of murder as a political weapon. Public condemnations of the cult in the press and on the platform, although frequent, were in many cases obviously perfunctory and without depth of feeling. Had there been a really strong and healthy public opinion on the subject in the Province, there is no question that an atmosphere could soon have been created in which it would have been impossible for terrorism to flourish. Attention was publicly directed to this fact by the Commissioner of the Burdwan Division in a speech delivered during December, which gave rise to a good deal of comment.* An important enunciation of Government's general policy towards terrorism was made shortly before by the Governor of Bengal, Sir John Anderson. He said he knew of no

* It should be recorded that during 1934 there does seem to have been some genuine improvement in the attitude of the public in Bengal towards terrorism.

sovereign remedy or heroic measure to which a civilized Government could have recourse that would ensure an immediate suppression of the evil. He pinned his faith on steady pressure, but realized that the process of eradication must inevitably be slow. At the end of the year the Government of Bengal, in pursuance of this policy, were engaged in preparing fresh legislation embodying in permanent form the temporary Acts that had already been passed to combat the movement.

Terrorism in Provinces other than Bengal.

As we have mentioned, the infection of terrorism some years ago spread to the Provinces of Northern India, and a considerable number of outrages occurred in the Punjab, the United Provinces, and Delhi. As a result however of the institution of certain conspiracy cases and of successful minor prosecutions, terrorism in these areas has been largely checked. There was no terrorist crime of importance in Northern India during 1933. It is noteworthy however that during the year some leaflets were distributed in certain places by " the Hindustan Socialist Republican Association ", which is the title under which terrorist conspirators in this part of India generally do their pamphleteering. The leaflets announced that the " three years respite " had come to an end. This was presumably a reference to a communication sent to Mr. Gandhi early in 1930 in which he was given three years to attain the freedom of India by " non-violent " means. The time-limit having expired and non-violent methods for obtaining Independence having demonstrably failed, the pamphlets urged the young men of India to set about killing Europeans. These exhortations however yielded no result. A surprising development of the year was the sudden appearance of terrorist conspiracy in the Madras Presidency, which had previously been almost completely immune. Owing, it is now believed, to police pressure in Northern India, certain terrorist conspirators appear to have migrated Southwards during the year, and some of them there committed a bank robbery in Ootacamund on the 26th April. They were captured after a police sub-inspector had been fired at by one of them. Other members of the same gang were discovered on the 1st May in Madras city, in consequence of the accidental explosion of a bomb by which one of them was mortally wounded. The house in which they were residing was raided and during the struggle which occurred with the police a constable was wounded by another bomb. Materials for making bombs and a quantity of rifle ammuni-

tion was discovered. This group of terrorists had apparently been organized in Northern India by a Bengali terrorist absconder who was subsequently arrested in Benares. On the 21st July a second suspected conspiracy was discovered. Some Madrasi youths were arrested in Madras city with arms in their possession, and the subsequent investigation disclosed the existence of a terrorist organization which owed its inception to the association of convicted Madrasi Congress volunteers with Bengali terrorists in the Madras jails. The conspirators were planning the assassination of officials and the commission of dacoities, and are now being prosecuted. There have also been manifestations of terrorist activity in Assam, chiefly in the Districts bordering on Bengal, and consisting mainly of postal and train robberies. Similar trouble has also been experienced in the parts of Burma adjacent to the Chittagong District of Bengal. In Akyab, a terrorist conspiracy was detected towards the end of the year, and the police rounded up a gang of about twenty persons, most of whom came from Chittagong. Some have since been interned and the remainder released on certain conditions.

FIFTH SECTION: Burma and the constitutional issue: the Burmese elections.

We conclude with an account of the course of events with regard to the constitutional position of Burma. At the close of the Burma Round Table Conference in January 1932, the Prime Minister, after describing the general lines of the proposed constitution for Burma, announced that the question whether Burma should join the proposed Indian Federation, or be separated from India, would be placed before the Burmese electorate at a general election. The election was held in November and the anti-separationists secured a majority. In December, when the new Legislative Council met, the question of separation was taken up, but the verdict was disconcertingly ambiguous. Although the alternatives offered were separation from India on the basis of the constitution outlined by the Prime Minister, or entry into the Indian Federation under the same conditions as other British Indian Provinces, the Council rejected both, and declared that it would continue to oppose separation until Burma was offered a greater measure of responsibility, or alternatively, would agree to entry into the Indian Federation provided the right of voluntary secession were retained.

Indian opinion regarding the Burmese conundrum.

Delegates from Burma were not invited to the Third Round Table Conference, as their presence could hardly be helpful while such complete uncertainty over the separation issue prevailed.

Towards the middle of January, however, rumours began to circulate in India and Burma that a final decision in favour of separation had been reached in London. This naturally caused perturbation among the anti-separationists, and protests were recorded against what was described as " a wilful repudiation of the emphatically declared wishes of the Burmese people ". Two leaders of the group proceeded to Delhi to enlist the support of the Legislative Assembly to their demands. As a result of their efforts, a manifesto signed by 37 Assembly members was issued on the 8th February, declaring that Indian opinion would raise no objection to the exercise by the Burmese of the right of secession on terms acceptable to the Federation. The acting President of the Indian Congress and several Indian nationalists subsequently indicated that they agreed with this view. The agreement however was not unanimous so far as Indian opinion was concerned. For example, the position accepted in the Assembly members' manifesto was strongly opposed by Mr. Srinivasa Sastri and other prominent Liberals of Madras, on the ground that the right of secession, if granted to Burma, " would be a paralyzing weakness in a country where centrifugal forces have always been stronger than centripetal forces."

Second failure of the Burma Legislative Council to reach a decision.

The situation was thus becoming more and more involved. On the one hand, the Burma Legislative Council had failed to make any definite choice between the alternatives placed before it, and had demanded a right which Government had announced would not be given; on the other, opinion in India was divided as to the wisdom of allowing Burma to join the Federation on the terms demanded by the anti-separationists. Government's attitude in the matter remained unchanged. On the 20th March 1933 the Secretary of State announced in the House of Commons that it was still open to Burma either to separate from India on the basis of the constitution outlined at the Burma Round Table Conference, or to remain a Province of British India as a constituent unit of the Federation. He suggested, further, that if the Burmese people wished the issue to be settled they could request the local Government to give the Legislative Council another opportunity for discussing it. This frank offer had the effect of inducing some of the party leaders to put forward a request for a special Council session, which was granted, and it was decided that the session should take place between the 25th April and the 6th May. Strong hopes were enter-

tained that on this occasion a definite verdict would be secured. But they proved baseless. During the entire session the Council debated only one of several motions due for discussion and failed to reach a decision even on this. To apportion the blame for this unhappy episode is beyond our scope; it will be sufficient to observe that the only inference that could be drawn from the failure of the Council on two occasions to agree on any definite and practical verdict on the issue placed before it was that it shrank from the responsibility of taking so important a decision. In the circumstances Government could do no more than refer the whole question to the Joint Select Committee of Parliament. A memorandum by the Secretary of State was laid before the Joint Select Committee and published on the 7th August containing an exposition of his constitutional proposals with regard to Burma if Burma were separated. It was however made clear that the question of separation was one for Parliament to decide.

The Burma White Paper: decision regarding separation left with Parliament.

The constitution proposed for Burma followed generally the lines of that proposed for India. Certain Departments, namely those of Defence, External Affairs, Ecclesiastical Affairs, and the Excluded Areas, were to be entrusted to the Governor personally. All other Departments were to be transferred to Ministers responsible to the Legislature, but in this transferred sphere the Governor was also to have a special responsibility in regard to certain matters. The scheme was criticised in Indian nationalist circles on the ground that it amounted to forcing separation on the Burmese people against their will, and it was also suggested that it offered them less than they would get as a constituent unit of the Federation. There seemed still to be considerable misunderstanding of the real position both in Burmese and Indian political circles, but this was largely removed by the Secretary of State in an important speech made during the Joint Select Committee's discussions with the Burmese delegates in December. He pointed out that Government had never abdicated its right to come to any decision it thought proper in regard to separation; the Prime Minister had merely stated that Government would choose its line of action after consulting public opinion in Burma. As no clear expression of opinion was available, Government had decided to refer the question to the Joint Select Committee. As for the alleged shortcomings of the proposed constitution, any impartial investigator would admit that it was not

inferior in substance to the Indian constitution. Finally, the Secretary of State recapitulated the arguments in favour of separation and re-affirmed Government's decision not to concede the right of withdrawal to any constituent unit of the Federation. As the Committee's work was still far from finished at the close of our period the constitutional future of Burma remained uncertain. The discussions in the Committee had however again brought out the fact that opinion in Burma, though divided on the question of separation, was definitely opposed to unconditional federation with India on the basis of the constitution outlined.

CHAPTER II.

Problems of Defence and Emigration.

We propose in this Chapter to describe certain outstanding events connected with India's Defence and internal security and the position of Indians in the Colonies and Dominions. It would be well to mention at the outset that the period covered by this Chapter as well as the remaining Chapters of the volume is the financial year from April 1932 to March 1933. We propose to commence our account with a brief description of the military operations undertaken during the year on the Frontier and elsewhere. Conditions in Baluchistan during the period were on the whole quiet and peaceful, but in Chitral and Waziristan operations on a small scale had to be undertaken. The biennial relief of the Chitral Garrison was carried out in September 1932. During the previous month, fighting occurred in Dir State between the Nawab's forces and *lashkars* of the Salarzai and Shamozai tribes of Lower Dir, led by the Faqir of Alingar. The safety of the Chitral road was imperilled and it was therefore necessary to concentrate an emergency column at Bandagai in Dir on the 13th September to cover the passage of the relief column. The latter concentrated at Dargai on the 11th September and on the 27th September arrived in Chitral without incident. During this period, considerable opposition was offered to the emergency column by the Shamozais, a neighbouring Bajaur tribe, and by local Dirwals, instigated by the Faqir of Alingar. Camps were sniped and numerous brushes with the troops took place. Several successful ambushes were effected by the troops, and the Royal Air Force commenced operations against the hostile *lashkars* and villages on the 17th September. Subsequently the Shamozais sued for peace and entered into an Agreement in the latter half of October. To ensure the safe withdrawal of the relieved column, a further column was formed and concentrated at Bandagai on the 1st October to reinforce the emergency column. The relieved column left Chitral on the 29th September and reached Dargai without incident on the 12th October.

Troubles on the Frontier.

Chitral.

During the latter half of 1932, conditions in the Southern province of Afghanistan became unsettled owing to vigorous propaganda carried on by pro-Amanullah agents with the object of

Conditions in Waziristan.

creating trouble for the government at Kabul. This agitation led in November to the revolt of the Darre Khel tribe of Zadrans in Khost. In February 1933, sympathy with the disaffected elements on the Afghan side of the Durand Line, and the prospect of loot, induced bands of Wazirs and Mahsuds to cross into Khost. In order to secure the withdrawal of the tribesmen a cordon of troops, drawn from the Razmak, Bannu and Kohat Infantry Brigades, and Irregulars of the Kurram Militia, Tochi Scouts and South Waziristan Scouts, was formed on the line Arawali-Thal-Miranshah-Datta Khel. The object of this cordon was to prevent further movement across the border and to intercept supplies or reinforcements on their way to the *lashkar*. The Royal Air Force cooperated with troops on both sides of the cordon. *Jirgas* of the tribes were also informed by His Excellency the Governor of the North-West Frontier Province that punitive action would be taken against sections concerned if the *lashkars* did not withdraw from across the border in four days. This threat, combined with the resistance offered by the Afghan Government Forces, and the arrival in Khost of reinforcements from Kabul, was effective and the *lashkarwals* returned to their homes by the 18th March.

Other troubles.

Internal trouble during the year necessitated the use of troops in three different localities. In the late summer of 1932, the situation in Bengal had deteriorated as the result of terrorist activity and it finally became so threatening that it was decided to move additional military units to certain areas. One British battalion was sent to Dacca, and one Indian battalion to each of the following places: Mymensingh, Comilla, Chittagong, Midnapore, Bankura, and Saidpur. It is significant that the last of the more spectacular outrages during our period, namely that at the Pahartali Railway Institute, took place just as the move of these units began. Since then the troops have carried out extensive flag marches and continually assisted the civil authorities in rounding up absconders and other terrorists. Turning now to Alwar, in January 1933, agitation in the Meo Districts of the State became so serious that the State authorities were unable to deal with the situation. In consequence it became necessary to send into the disturbed areas a detachment of Imperial Troops whose presence quickly led to a return of confidence and to the restoration of order. By the end of March it became possible to reduce the Imperial Troops to 1 squadron of

cavalry and 2 companies of infantry and in August it was found possible to withdraw them altogether. Since their withdrawal everything has remained quiet in the State. Finally, as regards Kashmir, the disturbance of 1931 had led to the posting of Imperial Troops in the State. It was not possible to dispense with these entirely until October 1932, when the Indian infantry battalion in the Mirpur Tehsil was relieved by State troops.

The Army.

We may now turn to certain events of interest connected with military administration during the year. It was mentioned in our last report that a Military Academy has been opened in Dehra Dun for the training of candidates for all branches of the Indian Army. During the year under review, the first and second batches of 30 each, consisting of 15 successful candidates at the open competitive examination and 15 from the ranks of the Indian Army including the Indian Territorial Force, were admitted into the Academy. Twenty candidates from the Indian States Forces were also admitted. In addition to this, preliminary steps have been taken to put into effect the decision, in connection with the Indianization of the Army, to extending the scope of Indianization to the equivalent of a Division of all arms with the necessary ancillary services. Finally, as a further step towards the Indianization of the Cantonments Department, the number of appointments of Executive Officer Class II, reserved for Indian officers holding the Viceroy's Commission or belonging to the Indian Territorial Force, was increased from 20 to 30, provided that candidates with sufficient qualifications were forthcoming to fill them. Recruitment for these appointments will be gradual, vacancies in the Cantonments Department as a whole, as they occur, being filled alternately by the appointment of a King's Commission officer as a Class I officer and a Viceroy's Commissioned officer or an officer of the Indian Territorial Force as a Class II officer, respectively, until the existing officiating Class I officers have been absorbed. Thereafter the vacancies will be filled by Class II officers until 20 officers of this class have been appointed; and no further recruitment of Class I officers will be made until this number has been reached. Vacancies occurring after 20 Class II officers have been appointed will be filled by Class I and Class II officers in the proportion of 1 to 3, respectively.

Indianization.

Organization and mechanization.

The programme of re-organization and mechanization of the Army continued to make progress during the year. It was decided

to replace gradually the armoured cars of Armoured Car Companies by light tanks and to rename the companies so equipped as "Light Tank Companies". Sufficient light tanks were purchased during the year to provide 2 companies with these armoured fighting vehicles. The disbandment of all Pioneers units was completed during the year. These units previously formed a separate organization in the Army and were intended to relieve Sapper and Miner units of certain responsibilities—primarily that of road making. Modern conditions, and present day organization of the Army, however, militated against the usefulness of Pioneers who were neither fully trained or armed as infantry nor capable of undertaking the work of skilled engineers, and the expense of their maintenance was not justified. As a corollary to the abolition of Pioneers, certain increases were made in the establishments of Sappers and Miners. The Mechanical Transport Services in India were also re-organized and re-distributed. This measure included the completion of the mechanization of the 2nd line transport of 3 cavalry brigades, the placing of the Mechanical Transport Experimental Establishment at Chaklala on a permanent footing, the reduction of the number of spare vehicles in load-carrying units, and the institution of a general repair reserve.

The Military Budget.

In 1928-29, the military budget was stabilized until the year 1931-32 at an annual figure of Rs. 55 crores. In 1929-30, the period was extended to 1932-33. In 1930-31, it was further extended to 1933-34 and the stabilized figure reduced to Rs. 53.63 crores from 1931-32. Owing to the deterioration in the general finances of the country, however, the budget for 1931-32 was reduced to Rs. 51.90 crores exclusive of Rs. 10 lakhs for the expansion of the Indian Territorial Force. The budget for 1932-33 was fixed at Rs. 46.65 crores excluding Rs. 9 lakhs granted for the expansion of the Territorial Force. The reduction of Rs. 5.25 crores was effected as follows: Retrenchments, Rs. 3.10 crores; postponement of the programme of re-equipment, Rs. 1 crore; and emergency cut in pay, Rs. 1.40 crores. New measures, such as the cost of the Indian Military Academy, accounted for an expenditure of Rs. 25 lakhs. A sum of Rs. 10 lakhs was also allotted for the purchase or construction of bungalows for military officers in Cantonments where the shortage is most acute. Out of this sum Rs. 4.79 lakhs were spent on the purchase and repair of 25 houses and the construction of

5 class III quarters for junior married officers, the balance being carried forward to next year. Besides these purchases, preliminary steps were taken and statistics collected in respect of others which were considered necessary.

The Royal Air Force in India.

The establishment of the Royal Air Force in India remained at a strength of 8 Squadrons and 1 Bomber Transport Flight. During the year under review, the re-equipment of the second Squadron of No. 2 (Indian) Wing Station, Risalpur, with " Hart " Bomber aircraft was completed. The budget estimate for 1932-33 was fixed at Rs. 1,57.91 lakhs.

Royal Air Force activities.

During the period covered by this report, aircraft of the Royal Air Force in India have flown 1,892 hours on operations over the area of the North-West Frontier and Baluchistan. In March and April 1932, they were engaged in dealing with the tribal disturbances in the Mohmand and Bajaur areas. A flight of aircraft was also moved to Fort Sandeman during April to operate with a mobile column in defence of a Militia Post which had been attacked by tribesmen. The Royal Air Force were actively employed in September against tribes in Bajaur who were opposing the movement of the Chitral Relief Columns. In February 1933, five Squadrons of aircraft cooperated with the Army in restoring order in Waziristan after the unrest which had occurred due to disturbances in Afghanistan. In addition to the normal training occupations the Royal Air Force undertook two special long distance exercise flights. The first was the visit of 5 Bomber aircraft to Gilgit on the 17th of October 1932. The second was the movement of 4 aircraft from Ambala to Singapore and return. The Royal Air Force again cooperated with the Survey of India and completed the survey for mapping purposes of an area covering 1,395 square miles in Waziristan and 500 square miles in Mohmand territory. Finally, on four occasions Their Excellencies the Viceroy and the Countess of Willingdon made tours by air in their aircraft the Avro 10. This aircraft is manned by personnel of the Royal Air Force.

The Indian Air Force.

During the year under review steady progress was made towards the formation of the first unit of the Indian Air Force, and towards the framing of regulations to govern that Force. Three Indian gentlemen who had been selected as a result of a competitive examination proceeded to the Royal Air Force College in England for training as officers in the Flying Branch; 5 cadets successfully

completed the course at that College, were gazetted to commissions, and after a period of training with a Royal Air Force unit in England arrived in India to take up their duties. One cadet completed a course of instruction in England, was gazetted to the Stores Branch of the new Service, and returned to India. At the close of the year there were 6 officers commissioned and 6 cadets undergoing training at the Royal Air Force College. The training of airmen proceeded throughout the year on the lines indicated in previous reports. By a notification in the Gazette of India, dated the 8th October 1932, the Indian Air Force was formally constituted, and towards the end of the year Rules amplifying the provisions of the Indian Air Force Act were promulgated. A decision was reached to form a nucleus of Headquarters and one flight of the first squadron on the 1st April 1933, to be located at Karachi, and arrangements were concluded to achieve that object.

The Royal Indian Marine.

The Indianization of the Royal Indian Marine continued to make progress during the year. An open competitive examination for the entry of Indians to the commissioned ranks of the Service was held in October 1932. Of the 28 candidates who appeared at this examination, 4 were selected, namely 1 for the executive branch and 3 for the engineer branch of the Service. The recruiting of boys for training and admission to the Service as ratings was carried out in April 1932 and 24 boys were recruited. A scheme was introduced for the training of ratings in wireless telegraphy, with a view to manning His Majesty's Indian ships eventually with Royal Indian Marine Telegraphists, and another scheme for the recruitment and training of sick berth attendants was also introduced as a provisional measure. To meet the long-felt need of having the physical and recreational training of the Service properly organized and administered by a qualified officer, the appointment of a Squadron Physical and Recreational Training Officer was created.

The ships of the Royal Indian Marine carried out cruises on the west coast of India and an independent cruise was undertaken by one of them on the Kathiawar coast. Two ships took part in the exercises of the East Indies Squadron of the British Navy in May 1932. The Royal Indian Marine Squadron also took part in convoy exercises with the East Indies Squadron at the

beginning of December 1932 and, on the completion of these exercises, carried out minesweeping exercises. His Excellency the Naval Commander-in-Chief, East Indies Station, visited His Majesty's Indian ships and establishments in November 1932, and His Excellency the Viceroy inspected His Majesty's Indian ship "Clive", the Royal Indian Marine Dockyard, the Signal School, and the Headquarters Mess on the 15th December 1932. Both were much impressed by all that they saw of the Royal Indian Marine and the workmanlike efficiency and splendid spirit which animated the Force.

Orders were placed during the year for the construction of another new sloop to replace a patrol craft boat which had become unserviceable. H. M. I. S. "Investigator", which was the survey vessel of the Royal Indian Marine, was sold and replaced by the "Patrick Stewart" (since converted into a survey vessel and re-named "Investigator") which was purchased from the Imperial and International Communications Limited, Karachi. Certain retrenchment measures were carried out during the year in order to effect savings in expenditure, and an Act was passed providing for the discipline of the Royal Indian Marine Volunteer Reserve which it is proposed to constitute as soon as possible. The Reserve will be open to both Europeans and Indians.

Indians in South Africa.

We propose now to deal briefly with the main events of the year as regards the position of Indians abroad. In the last report, mention was made of the Commission appointed by the Union Government under the Chairmanship of the Honourable Mr. Justice Feetham to enquire into the occupation by coloured persons of proclaimed land in the Transvaal. The Commission had not completed its work at the end of the year and the Government of India were still awaiting its report.

The Transvaal Land Tenure Act Commission.

The Colonization Enquiry Committee.

As a result of the conference held in Cape Town early in 1932 between the representatives of the Government of India and of the Government of the Union of South Africa, it was agreed that the Government of India would cooperate with the Government of the Union in exploring the possibilities of a colonization scheme of settling Indians from India and South Africa in other countries, and that in this investigation a representative of the Indian community in South Africa would, if the community so desired, be

associated. In June 1933, the Government of the Union appointed a Committee to undertake a preliminary investigation in South Africa and to report as to the country or countries in which further investigation as to the successful operation of such a scheme might advantageously be made, and to the extent to which Indians in the Union would participate therein. The South African Indian Congress appointed Mr. S. R. Naidoo to serve on the Committee which has not yet reported. Its recommendations will be communicated to the Government of India for consideration and no decision as regards the countries where exploration of the possibilities of colonization, should such exploration be recommended by the Committee, or the personnel or the terms of reference of the Commission to which such investigation should be entrusted, will be taken until the recommendations of the Committee appointed by the Union Government have been considered by the Government of India.

Unemployment amongst Indians in Natal.

As a result of the world-wide economic depression and the white labour policy pursued in the Union both within and outside Government and public services, there was a steady growth of unemployment amongst Indians in Natal. The Agent to the Government of India, Kunwar Sir Maharaj Singh, took up the matter immediately on his arrival in South Africa and made representations to the Union Government with some success. With the help of a subsidy from the Union Government to the extent of half the cost of wages, the Durban Corporation and the Pietermaritzburg Municipality have employed 300 and 50 Indians respectively on 3 shillings a day.

Kenya.

As regards Kenya, towards the close of the financial year 1931-32 the Indian community was greatly perturbed by certain proposals which had been made for fresh taxation. Lord Moyne, who was deputed by His Majesty's Government in 1932 to enquire into the financial and economic situation of the Colony, had recommended the imposition of income-tax with a view to solve the financial difficulties of the Government. There was much opposition to this recommendation and certain alternative proposals for raising the necessary revenue were put forward to the Colonial Government. These were examined by a Committee of officials and non-officials on which the Indian community had two

representatives. As a result of the recommendations of this Committee the Colonial Government decided, with the concurrence of His Majesty's Government, to impose certain other taxes which included license fees for traders and a landing tax on passengers. They did not, however, proceed with the last mentioned tax, and in the passage of the necessary legislation through the local Legislative Council certain changes were made increasing the license fees for wholesale and retail traders. The Indian community complained that the enhancements would fall mainly on them and would have the effect of increasing their share in the sacrifice which the non-native communities were being called upon to make to secure the financial stability of the Colony. They were also perturbed during this period by a move on the part of European non-officials to press His Majesty's Government for further control in the Colony's Government and the creation of a statutory Finance Committee with a European elected majority. The East African Indian National Congress made representations to the Government of India and His Majesty's Secretary of State for the Colonies and the latter reiterated the intention of His Majesty's Government to stand by the findings of the Joint Select Committee of Parliament on East Africa, which were to the effect that the control of His Majesty's Government must remain unimpaired and that the official majority in the Legislative Council of Kenya should continue to be maintained. Another important event during this period was the entry of the Indian members into the Legislative Council, without prejudice to their preference for the principle of a common electoral roll. It is hoped that, by the contribution which this decision will enable the Indian community to make to the common weal of that territory, harmony among the different communities may be rapidly established.

Uganda.

The Indian community in Uganda had long been desirous to see its representation on the Legislative Council of this territory increased. During the year, a second Indian member was nominated. Even though appointments to the Council are made not for the representation of communities but in the general interests of the country, the selection of an Indian for the privilege is a gratifying compliment to the Indian community and a recognition of its importance.

Ceylon and Malaya.

The economic depression, which set in in 1930 and resulted in the reduction of wages and repatriation of Indian estate labourers in Ceylon and Malaya, continued unabated during the year under report. Towards the end of 1932, the position became very acute and employers in Ceylon represented that a further cut in the wages of Indian labourers employed by them was necessary to tide over the economic difficulties. These reductions, which came into force on the 10th May 1933, were reluctantly agreed to by the Government of India, on the conditions, first, that all labourers who were unwilling to work on reduced wages were repatriated to India free of cost, and secondly, that the cut would be restored as soon as the conditions necessitating it disappeared. Prices of rubber and tea—the two main industries employing Indian labourers in the Colony—showed a steady rise in the latter half of 1933 and, as a result, the cut, introduced in May, was practically withdrawn with effect from the 1st November 1933. The upward trend of rubber prices did not fail to improve the condition of Indian labourers working on rubber estates in Malaya as well. Many estates that had been kept on a care and maintenance basis were re-opened and their demand for labour, coupled with the efforts of the Labour Department, is reported to have effected an appreciable increase in the earnings of the labourers. The figures of repatriation showed a steady decrease and it was felt that, in the event of a further rise in the price of rubber, an acute shortage of labour was likely to arise. The Malayan Governments accordingly requested the Government of India to permit the reopening of voluntary assisted emigration from South India to Malaya which had been stopped in 1930. A deputation consisting of the Controller of Labour, the Chairman of the Planters' Association and the Emigration Commissioner for Malaya in Madras, also waited upon the Government of India and the Standing Emigration Committee of the Indian Legislature in this connection. A definite conclusion on this question had not been reached at the end of 1933.

Other Colonies.

The position of Indians in other colonies showed no material change.

Abolition of Slavery in Burma.

We may conclude the Chapter with a brief reference to the anti-slavery operations in North-East Burma. Expeditions were

sent out during the open season 1932-33 to the North and South Triangle and Hukawng Valley areas. As in the previous year no expedition could be sent into the Naga Hills area of the Upper Chindwin owing to financial stringency. In the North Triangle careful inquiries were made at all the villages visited and there was not a single complaint. The ex-slaves are very poor and have yet a long way to go before they reach the status of the free born, but regular administration will help them and will put a stop to compulsory labour. Many of the ex-slaves have migrated to other villages where they have joined their relatives or built their own houses and are leading an independent existence, but they are still afraid of being deprived of their property and of being removed from the land, and it is only by the introduction of a regular form of administration that full confidence can be established. In the South Triangle the condition of the slaves was found to be less satisfactory, though they have not been prevented from settling down. Families of slaves who belonged to the same master had no difficulty in setting up house for themselves when they were released: others joined their relatives. Several old men and women and young children encountered difficulty in settling down, but it appeared that they were being treated with consideration and the expedition gave them financial help to encourage the people who were looking after them. There were no signs of serious resentment against the anti-slavery operations, but there cannot be the slightest doubt that only so long as these tracts are administered will this satisfactory state of affairs continue. Removals of ex-slaves to places outside the Triangle are now comparatively rare, and these are more or less balanced by those who have come from other areas to take up their residence in the Triangle. In the Hukawng Valley there were no complaints of ex-slaves being harassed by 'magams'. There are now 25 ex-slaves villages, and each has its own ex-slave headman. Their economic condition is as satisfactory as that of the "Free-born", and is often better.

CHAPTER III.

Agriculture and Industry.

Agriculture.

Statistics.

The total area of India as computed for purposes of agricultural survey amounts to 1,167* million acres, of which over 667 million constitute British territory. Of the latter, over 145 million acres, or 22 per cent, were not available for cultivation during the year† under report owing to the land being barren, or unculturable, or covered by buildings, water, roads, etc. A further 88.4 million acres, or 13 per cent, are covered by forests. Of the balance of 433 million acres, or 65 per cent of the total available for cultivation, 50.4 million, or 8 per cent, were fallow, and 154 million, or 23 per cent, were classed as culturable waste, *i.e.*, lands which had either never been cultivated or have been abandoned. The net area in British India actually sown with crops during 1932-33 was 228 million acres, or 34 per cent of the total. If, however, lands sown more than once during the year are taken as separate areas for each crop, the gross areas sown in 1932-33 amounted to 260 million acres. Of this area, food crops occupied about 213 million acres and other crops about 47 million acres. Among the food crops, food grains, *i.e.*, cereals and pulses, covered as much as 201 million acres, or about 77 per cent of the total area sown, and other food crops (including sugar, condiments and spices, fruits and vegetables, and miscellaneous food crops) about 11.7 million acres, or 4 per cent of the total.

Though progress in other directions is now more marked, the success attained by the provincial Agricultural Departments in the evolution and introduction into general cultivation of improved strains of crops is still the most prominent feature of their work. It is in most cases impossible to ascertain the total area under improved crops, owing to the difficulty of determining the 'natural spread' through private agencies, but the ascertained area for British India was reported in 1932-33 to be about 15.3 million acres as compared with 14.3 million acres in 1931-32, and 13.6 million acres in 1930-31.

*This figure is taken from 'Agricultural Statistics of India, 1930-31', Volume 1, the latest final statistics available.

†The statistics given in this paragraph relate to the year 1932-33 and are taken from 'British India—Agricultural Statistics, 1932-33 (Provisional)'.

Progress in the introduction of some improved crops has also been made in several Indian States. Some improved strains have higher yielding power, some superior quality, and others are characterised by disease resistance, general hardiness or earliness; usually a number of desirable characters are combined. It may be emphasized that the object of all such work is to raise the efficiency of agricultural production and thus lower the real cost of production and not to increase the gross output of particular commodities—a point on which there is sometimes misunderstanding.

Rice.

The most important single crop in India, as well as the most important food crop, is rice which in 1932-33 occupied 82 million acres with an estimated outturn of 30,655,000 tons as compared with 84 million acres and 32,988,000 tons in 1931-32. Exports during the year amounted to 1,887,000* tons of which 1,657,000 tons were from Burma as against 2,372,000 tons and 2,134,000 tons respectively in 1931-32. The reduction in area occurred mainly in Bihar and Orissa and the yield both in that Province and in the United Provinces was markedly below the average due to a partial drought. India proper produces less rice than she consumes and annually takes substantial quantities from Burma, the imports for 1932-33 being 936,000 tons. Exports of rice to the United Kingdom increased very substantially, this being largely a high quality trade which is shared by Burma and Bengal. " Patna " rice (more correctly " Patnahi " or " Patnoi "), which is a high quality Bengal rice, is now well known in English shops largely due to the propaganda organized by the Empire Marketing Board and the Indian Trade Commissioner, whilst certain high quality ' Empire ' brands of Burma rice are also deservedly popular. The introduction of improved varieties continues to make substantial progress, the total reported area for 1932-33 being 21 million acres as compared with 1.6 million acres in 1931-32 and 1.2 million acres in 1930-31. Burma leads, as might be expected, with 669,000 acres under improved varieties out of a total rice area of 12.5 million acres; in that Province special attention has been devoted to quality as well as yield in view of the importance of the export trade both to Europe and the East where competition is becoming more and more keen. The grants made by the Imperial Council of Agricultural Research and by the Empire Marketing Board have permitted

*Includes 59,000 tons of paddy of which 55,000 were from Burma.

of an intensification of research work and there has been further development in the organization for seed supply. Meanwhile, the rice milling firms are paying encouraging premiums for the 'Emmata' improved strains, the newest of which are bold rices which challenge comparison with the 'Blue Rose' and 'Carolina' rices. In Madras, out of a total rice area of 11.5 million acres, a little over half a million is under improved varieties. Breeding work has been in progress for many years past under the direction of the Paddy Specialist at Coimbatore, but most of the rice produced in Madras being required for consumption within the Province, the work has been mainly directed to an increase of yield, better standing power and higher disease-resistance in existing types. In Bengal, rice occupies annually some three-quarters of the total cultivated area and it was in this Province that the systematic study of the Indian rices started. The area under improved strains has risen to 304,000 acres. The grants given by the Imperial Council of Agricultural Research and the Empire Marketing Board have enabled work to be extended in Western Bengal, and substations for experimental work have been started at Chinsura and Bankura for the study of the "Patnahi" and other export types. The area under rice in the Central Provinces during 1932-33 was 7 million acres which, though slightly below the area of the previous year, is nearly a million acres above the quinquennial average. The area under improved varieties in this Province has now reached 400,000 acres. With the aid of a grant from the Imperial Council of Agricultural Research, the Raipur Experimental Farm has been converted into a rice research station, the research staff consisting of a Bio-chemist and a Botanist with the necessary assistants. In the United Provinces, the area under rice has fallen from 6.6 million acres in 1931-32 to a little over 6.2 million in 1932-33. Systematic work on the improvement of the rice crop was started in this Province many years later than in other Provinces so that the area under improved varieties is still small. With the aid of a grant from the Imperial Council of Agricultural Research, a rice research station has been opened at Nagina to which the breeding work previously carried on at Cawnpore has been transferred.

Millets. The three major millets, namely *juar, bajra,* and *ragi,* occupied 39.295 million acres during the year under report. Until recent years, research on this important group of food grains

received comparatively little attention, but that defect is now being rectified. In Madras, work on *juar* and *ragi* has been in progress for several years and several papers on the genetics of these millets and also of the Italian millet have recently been published. Improved strains of *juar* and *ragi* are now being distributed and a number of others are under field trial. In the Central Provinces, work is in progress on *juar* and *bajra*. The area under improved strains of the former is reported to be 138,000 acres as compared with 117,000 acres in 1931-32. Three new selections of yellow grained *juar* of special promise are being distributed on a limited scale for multiplication. Further progress in *juar*-breeding has been made in the Punjab and with both *juar* and *bajra* in Bombay. In the latter Presidency, breeding work on *juar* has largely been directed to the production of rapid maturing varieties suitable for tracts of scanty rain-fall. In the precarious districts of the Deccan, the grading of seed *juar* and *bajra* prior to sowing has led to very satisfactory results and about 85,000 acres were so treated in 1932-33.

Wheat.

The area under wheat in India in 1932-33 was 33 million acres as compared with 33.8 million acres in 1931-32 and a quinquennial average of 32 million acres. The total production of wheat-grain was estimated at 9,452,000 tons as against 9,024,000 in 1931-32. The reported area under improved varieties was 5.3 million acres of which 2.5 million acres were in the Punjab. In the latter Province, four promising hybrids are now under extended testing. In the United Provinces, 2.1 million acres were under improved wheats all of which have proved their value. A number of newer types from Pusa and elsewhere were under systematic test during the year on the various farms of the Province. In the Central Provinces, the area under improved wheats rose to 459,000 acres. Here the main line of work has been the successful production of rust-resistant types for the black soil wheat areas in the North of the Province and a number of newer strains are being tested. At the Imperial Institute of Agricultural Research, Pusa, work on wheats has been continued and full advantage has been taken of the Karnal Sub-station which is maintained by a grant from the Imperial Council of Agricultural Research to test new hybrids under a wider range of conditions.

Pulses.

This large group of leguminous food crops is of peculiar importance in India, both as providing the bulk of the proteids in the

diet of a predominantly vegetarian population and as an essential feature in the principal crop rotations. No country in the world has such a variety of leguminous crops and in no country are they more important in maintaining soil fertility. Pulses normally occupy some 42 million acres annually in British India. The most important individual pulse crop is gram which occupies annually about 15 million acres including the area in Indian States. Research work on gram has been in progress for a number of years and the Pusa Research Institute now has 84 distinct classified types which form an invaluable foundation for work in other parts of India. Work on this crop is now in progress in most Provinces and considerable quantities of seed of improved varieties have been issued. The other principal ' export ' pulse is the Burma Bean of which some 30,000 tons are exported annually. The new type, now known as the ' Burma butter bean ', has proved successful on a large scale. Another important pulse crop—*arhar* or pigeon pea has received considerable attention for some years past at the Pusa Research Institute as it is particularly liable to a wilt disease due to *Fusarium vasinfectum*. An important monograph on the control of this disease and the production of resistant strains has appeared recently. Research work on the pulse crops is now in progress in most Provinces.

Cotton.

Cotton is the most important of the ' non-food ' crops, being doubly important as furnishing on the average the most important single export, and the raw material for India's largest industry. The area under cotton in India in 1932-33 was 22.5 million acres as compared with 23.7 million acres in 1931-32 and a quinquennial average of 25 million acres. The fall in area has been continuous since 1928-29 and represents an automatic adjustment to smaller demand and falling prices. Production was estimated at 4,516,000 bales, but this figure proved to be a serious under-estimate as cotton baled *plus* loose cotton received in mills alone amounted to 4,730,000 bales, so that including the usual conventional estimate for village consumption, the crop aggregated some 5½ million bales. The reported area under improved varieties in 1932-33 was 3.2 million acres, or approximately one-seventh of the total cotton area in India. The Indian Central Cotton Committee, which obtains its funds from the Cotton Cess of two annas per bale on all cotton exported or consumed in Indian mills, continued to give financial assistance to a number of schemes of cotton research and development, the funds

so expended in 1932-33 amounting to slightly over Rs. 8 lakhs of which about Rs. 2½ lakhs were spent on seed distribution and extension schemes, administration, propaganda and the improvement of marketing, and Rs. 5½ lakhs on research. For 1933-34, the Committee has sanctioned expenditure of Rs. 12 lakhs, the principal increases being under seed-distribution schemes. An important new scheme which is being carried out in cooperation with the Imperial Council of Agricultural Research, which bears half the expense, is an enquiry into the cost of production of cotton, sugarcane and rotation crops which is being carried out in selected areas. Of the improved varieties of cotton brought into cultivation, reference may be made to the 'Verum' cotton in the Central Provinces and Berar where short-staple cotton only suitable for 10s. to 12s. counts is being successfully replaced by an indigenous medium-staple cotton, which resulted from one of the Committee's research schemes, suitable for counts from 18s. to 22s. The sale of this cotton has been organized through a departmental pool financed by the local Government whilst the Indian Central Cotton Committee makes a grant for staff, seed distribution and marketing organization. In the Bombay Presidency, an improved cotton 'Banilla' has been established in Khandesh, production being estimated at 23,000 bales. In the Southern Mahratta country, the new cotton 'Jayawant', Kumpta and Gadag I upland are being systematically pushed with the aid of a special seed organization. In South Gujerat, the Bombay Department of Agriculture, the Baroda State and the Rajpipla State have continued their policy of maintaining the valuable type, Surat 1,027, in a state of purity despite considerable pressure to substitute types of lower spinning value but higher ginning percentage. In Madras, the organization of seed supply of improved varieties has continued on the lines found successful in previous years. In Sind, it has been recognized that the production of short-staple Sind *deshi* cotton should not be indefinitely increased as cotton production develops under the Sukkur Barrage canals. The demand for this type of cotton, though quite definite, is limited, and a large portion of the area can most profitably be devoted to the production of a good type of long staple cotton.

Jute. The area under jute in 1932-33 was over 2.1 million acres and the yield 7,097,000 bales as compared with 1.9 million acres and 5,845,000 bales in 1931-32. The area sown in 1933 was 2.5 million

acres and the estimated out-turn 7,933,000 bales. Though still much below the level of the 1930-31 crop, there has been a marked reaction from the restricted area of 1930-31 despite continued organized propaganda emphasizing the need for a limitation in area so that production may not again grossly outstrip potential demand. Improved varieties of jute occupied 993,000 acres in 1932-33 as compared with 971,000 acres in the previous year and 1.1 million acres in 1930-31. A considerable proportion of the area under improved strains is concentrated in a few districts, so that the general reduction in the jute area has affected the acreage under improved kinds. The trade tests on the quality of jute grown from departmental strains of seed were continued during the year and confirmed the previous finding that spinning quality is more dependent on environment than on variety; nevertheless the 8 samples placed in class A—the best quality—confirmed the previous report that quality had not been lost in the Agricultural Department's selections for yield. Information is still lacking on the fibre characters which determine spinning quality and little progress in this direction is possible until the question is actively taken up by the industry. During the year, a Committee was appointed by the Government of Bengal to examine the jute position and make recommendations. The report of the Committee which was published after the close of the year reveals wide differences of opinion regarding the steps which should be taken to improve matters. Meanwhile, a Committee of the Indian Jute Mills Association has been actively engaged on the question of technical improvements in the industry and the means to be taken to combat the growing competition of substitutes.

Hemp.

Reference was made in last year's report to the steps which were being taken to improve the preparation and marketing of Indian Sann-hemp to enable it to hold its own in the European market. These were continued during 1932-33 and a report received from the Indian Trade Commissioner showed that the Indian Sann-hemp received on the London market was markedly better in quality than previously. This crop occupies some 600,000 acres annually, and though a considerable proportion of the production is consumed locally, the export trade is of considerable value. Exports during 1932-33 rose to 281,000 cwt. as compared with 224,000 cwt. in 1931-32, the most marked increase being in the United Kingdom whose takings

increased from 32,000 cwt. to 80,000 cwt. Experimental work on improved methods of retting is in progress in the United Provinces and the Central Provinces, and the question of the better organization of hemp marketing is also receiving attention.

Tobacco.

The area under tobacco in India exceeds a million acres annually, but most of this is for home consumption. Exports in 1932-33 amounted to 21 million lbs. valued at Rs. 73 lakhs; imports during the year, on the other hand, amounted to 5.1 million lbs. of leaf, 1.7 million lbs. of cigarettes, and 64,000 lbs. of manufactured tobacco. Considerable progress has been made in the production of cigarette tobacco in India, as is evident from the fact that in 1929-30 imports of cigarettes and unmanufactured tobacco totalled 9.8 million lbs. as compared with 6.8 million lbs. in 1932-33. A better indication of the progress made is to be found in the fact that early in 1933 the number of flue-curing barns in India for the production of light bright leaf was estimated at 775 of which 700 were in Madras, 60 in the United Provinces and the remainder in North Bihar. The stabilization of the tariff preference on Empire tobacco in the United Kingdom (2*s.* 0½*d.* per lb. on unmanufactured tobacco) for a period of ten years under the Ottawa Agreement is of importance to India as the United Kingdom is by far the best overseas buyer of Indian tobacco. The English market for pipe tobacco has already been largely captured by Empire producers, including India, but there is still great scope for further supplies of light bright leaf for cigarettes. Progress has been made with the growing of improved varieties suitable for flue-curing. The Indian-American hybrid 142 has proved a satisfactory yielder in the field and cures well in the barn. The conditions requisite for the successful cultivation of American varieties like "Adcock" are well known and the successful production of cigarette tobacco in India is now largely a matter of organization. Experimental work on the improvement of Indian cigar tobacco was continued in Bengal, Burma and Madras.

Sugarcane.

The area under sugarcane in India in 1932-33 was 3.3 million acres with an estimated out-turn, expressed in terms of *gur* (jaggery), of 4,684,000 tons as compared with 3 million acres and 3,970,000 tons in 1931-32. The increase in the sugarcane area has been continuous since 1929-30 when the area was 2.5 million acres and the estimated yield 2,761,000 tons. Production, however, has increased much more steeply than area due to the rapid spread of improved

varieties which in the year under report were estimated to occupy over 1.8 million acres, or 55 per cent of the total area. As a result of the protection granted by the Sugar Industry (Protection) Act, 1932, the manufacture of sugar by modern methods in India has developed with great rapidity. The quantity of sugar manufactured in central factories from cane in season 1932-33 amounted to 290,000 tons, and that refined from *gur* was estimated at 91,000 tons—a total of 381,000 tons as compared with 228,000 in 1931-32 and 151,000 in 1930-31. When allowance is made for the sugar produced by the indigenous open pan processes it will be seen that India is within measurable distance of being self-supporting in regard to this commodity. If an efficient sugar industry is to be built up during the period of protection—as is essential in the interests of grower, consumer and factory owner alike—the efficiency both of cane production and sugar manufacture must be further raised, and the further improvement of the raw material is therefore as important as ever. The Imperial Council of Agricultural Research, with the aid of the special grants made by the Government of India, has been able to organize a co-ordinated plan of cooperative sugar research throughout the Provinces. The Council's Sugar Technologist now has at his disposal in the Harcourt Butler Technological Institute at Cawnpore a complete small sugar factory embodying the most modern type of machinery for instructional purposes and experimental work. A complete chain of sugarcane research and testing stations now exists in Northern India; there are also stations at Padegaon (Bombay-Deccan) and at Chittoor in Madras. At Pusa, intensive work is in progress on the Mosaic disease of cane. The Imperial Cane Breeding Station at Coimbatore has issued an important new series of seedling canes for trial and study and is working out the economic possibilities of the now famous sorghum-sugarcane hybrids created at that station. In a number of other directions the scientific study of the sugarcane has been intensified both at Coimbatore and elsewhere. In the various Provinces, special attention is also being devoted to the question of manuring and cultivation, it being clearly established that only with a higher level of cultivation and manuring will the true value of improved cane be realized.

Oilseeds. The major oilseed crops, namely groundnuts, linseed, rape and mustard, sesamum and castor, occupied roughly 24 million acres in 1932-33 as compared with 22 million acres in 1931-32, the total

outturn being estimated at 6 million tons. The annual area under coconuts is about 1.4 million acres and that under ' other ' oilseeds about 1.8 million acres, making a grand total for 1932-33 of roughly 27 million acres. In other words, the oilseed crops, as a group, are comparable in importance with cotton. Exports of oilseeds in 1932-33 amounted to 733,000 tons, a considerable falling away from the 1931-32 figure of 988,000 tons. The fall was most marked in the case of groundnuts, doubtless the result of the relatively small crop of 1931-32. Rapeseed exports, on the other hand, materially improved. In the 1933 export season, however, there was a marked recovery in the case of linseed, largely due to the combined effect of the Ottawa preference and smaller linseed crops elsewhere. Shortly before the close of the year, the Imperial Council of Agricultural Research undertook a special enquiry into the supply of coconuts, *copra,* coconut oil and other coconut products in South India, and research work on linseed, castor seed and ground nuts was continued at the Pusa Institute and in the Provinces.

Research work on soils.

A genetic soil survey has been started by the staff of the Padegaon (Bombay) sugar research station on the soils of the Deccan canal tract. Work is also in progress on the effect on the soil, as distinct from the sugarcane crop of the year, of different amounts of irrigation and various types of manuring. In Sind, considerable progress has been made towards the solution of two urgent problems, namely systems of irrigation and cultivation which will not encourage alkali and methods of reclaiming *kalar* soils. A stage has now been reached where definite recommendations can be made to agriculturists in regard to the first, whilst the second calls for large scale reclamation experiments in cooperation with the Irrigation Department based on the latter's sub-soil survey. In Bengal, a scheme of research financed by the Imperial Council of Agricultural Research on the laterite soils is being carried out by the Dacca University Chemical Department in collaboration with the Agricultural Chemist to Government. In Madras, a systematic study of the principal South Indian soils from the point of view of base exchange is in progress. The survey of the Burma soils is continuing.

Fertilisers.

The collapse of prices has caused a setback in the purchase of manures, a phenomenon common to all countries. Meanwhile, the results of past experiments in the various Provinces have been critically examined, grants for the purpose having been made by the

Imperial Council of Agricultural Research, and the data collected has been analysed by the Council's Statistician. This examination has revealed important lacunæ, and new experiments designed on modern lines have been started at several places. Progress has been made in several Provinces with the further spread of green manuring and in the popularising of composts. At the Indore Institute of Plant Industry, further improvements in compost-making have been made, mostly in the direction of simplification. In India, the scope for the conversion of waste materials into valuable fertiliser is enormous and this is undoubtedly one of the most promising methods of improving the fertility level of the land generally.

Improved Implements.

The slump has also caused a partial check to the introduction of improved implements, but the progress achieved during the year was on the whole satisfactory. Attention continued to be paid to the improvement of small power-driven cane-crushers for which the Imperial Council of Agricultural Research gave a series of grants. Several good designs were completed and tested during the year, and with the adoption of such mills, the cost of *gur* manufacture in villages should be substantially reduced. Experimental work on the improvement of ploughs and cultivators was also continued in several Provinces. In India, the need is to introduce improvements which will give a dense agricultural population a better reward for their labour rather than to adopt devices which will supplant labour. Motor tractors, for example, are not wanted for general cultivation save in special areas but have a very definite future for the eradication of deep-rooted weeds and grasses, as experiments in Bombay and the Central Provinces have shown, whilst reaping, threshing and winnowing machines are needed in certain areas to relieve both man and bullock at a season of intense pressure. The results of comprehensive tractor ploughing experiments by the Burma-Shell Corporation in cooperation with several provincial Agricultural Departments are now being published. Small threshing machinery received special attention at Pusa and in Sind, and the Agricultural Engineer, Punjab, produced two small power-driven winnowers and a bullock operated machine of the same type which have given very satisfactory results in district trials.

Demonstration and propaganda.

The success which has attended the activities of the provincial Agricultural Departments is largely due to many years' patient work in bringing improvements to the notice of villagers, demonstrat-

ing their utility on the cultivator's own land, and making available locally the improved seeds, manures and implements recommended. The village demonstration plot or farm and the local seed store and implement depot still remain the backbone of these Departments but subsidiary propaganda methods have not been neglected. Farmers' bulletins and leaflets in both English and the local vernaculars have been widely utilised, and Agricultural shows, ploughing matches, lantern lectures, cinema films and travelling demonstration vans have also been pressed into service. In several Provinces, attempts are now being made to co-ordinate all forms of rural development propaganda, but these are too new to permit of an expression of opinion as to the extent to which they will be able to relieve the Departments. In its early stages the " rural uplift " movement will undoubtedly increase the work of the agricultural staff working in the districts, but this will be more than compensated for if the movement can achieve real momentum. Meanwhile, apart from propaganda of the type mentioned above, attention has been concentrated on seed supply and the marketing of agricultural produce. It is estimated that in 1932-33 the various Agricultural Departments supplied to the cultivators over a million *maunds, i.e.,* nearly 40,000 tons, of improved seed either from their own stores or through registered seed farms. As regards the marketing of agricultural produce, which is a matter of pressing importance during the present agricultural depression, the Madras Legislative Council passed an Act " to provide for the establishment and better regulation of markets for commercial crops "; an investigation into the marketing of rice was carried out in the Tanjore District and a scheme for cooperative marketing of groundnuts was started in South Arcot District; considerable progress was made with the establishment of regulated cotton markets in the Bombay Presidency, Dhar State and Sangli; and in the Central Provinces, the special cotton ' pool ' for improved (Verum) cotton was continued with the aid of a grant from the Indian Central Cotton Committee and further improvements were made in the rules of trading in the regulated cotton markets of the Province. At the close of the year, the Imperial Council of Agricultural Research took up the preparation of a scheme for a central marketing expert who would assist provincial officers and organizations and take up certain all-India questions, *e.g.,* the establishment of national grade standards (where they do not already exist) for certain major commodities. These

proposals were subsequently approved by the Advisory Board of the Council and action on its recommendations is being taken.

Agricultural education.

Owing to financial stringency, no progress could be made with the schemes for an Agricultural College at Patna and for an Agricultural Institute at Dacca, so that the three eastern Provinces are still without provision for higher agricultural instruction. Of the six colleges of University standard at Coimbatore, Poona, Cawnpore, Lyallpur, Nagpur and Mandalay, all except the last are affiliated to provincial Universities. The number of applicants for admission to the Coimbatore Agricultural College fell from 321 to 180, and 125 candidates appeared before the Selection Committee of whom 48 were admitted. At Lyallpur, the number of students in the college fell to 360 compared with 385 last year and 447 in 1930-31. This reduction was partly due to a smaller number of students studying for the degree course owing to the reduction in the number of posts now offering to agricultural graduates in the Punjab. The Nagpur Agricultural College had a normal year with 114 students for the degree course. Applications for admission numbered 75 of whom 32 were enrolled. Short practical courses in special subjects were given at several colleges and agricultural schools and on Government farms. These included fruit culture and fruit preservation, oil-engine driving, *gur*-making, dairy farming, the repair of implements as well as general practical agriculture. No marked changes have taken place in the policy followed in regard to ' vocational ' and ' rural bias ' agricultural schools and financial stringency has inhibited the expansion of either type.

Imperial Council of Agricultural Research.

In the preceding paragraphs, reference has been made to a number of research schemes financed by the Imperial Council of Agricultural Research which was established in 1929 to foster agricultural and veterinary research in India. During the year under review, a third Indian State, namely Baroda, joined the Council as a constituent State. As most of the Council's funds are derived from the Central Government's annual research grant, a slowing up of work was inevitable as the result of financial stringency and retrenchment; but though the Government of India were unable permanently to restore the Council's annual research grant of 5 lakhs, a supplementary grant of this amount at the end of 1932-33 enabled a number of important research schemes to be started whilst a special grant was again received for sugar research. Thirty-two research schemes

were approved by the Advisory Board and Governing Body during the year at a cost for 5 years of about Rs. 19 lakhs and all were placed in order of priority by the Governing Body so that funds might be allotted as available. It was found possible to communicate financial sanction to 16 schemes at an estimated cost of about Rs. 14 lakhs and also to start several sugar research schemes. A number of the Council's research grants, including a set of fruit research schemes, have already been mentioned, and in the previous year's report reference was made to the Council's work for the promotion of the sugar industry, the chain of sugarcane research stations, and the research work in progress on the Desert locust. Of the newer schemes, mention may be made of a group of " dry-farming " schemes in Bombay, Hyderabad, Madras and the Punjab, the object of which is to make a co-ordinated attack on the numerous problems connected with crop-production in tracts of limited and precarious rainfall where the extension of irrigation is impracticable or uneconomic. Another important group of schemes, for which it is expected funds will shortly be available, is for research on the improvement of tobacco growing in India, the special object being to give assistance and advice in the curing and grading of tobacco.

The Sugar, Locust Research and Oil-crushing Industry Committees of the Council continued their work during the year. The Sugar Committee, in addition to the consideration of research proposals and progress reports, took up an examination of the problems of molasses disposal and the possibilities of a power alcohol industry; it also gave considerable attention to the question of securing to the cane grower fair prices for cane supplied to sugar factories and of linking cane prices to sugar prices by a sliding scale. The Locust Research Committee examined the detailed technical reports on the various sections of this research scheme and recommended its continuance on a reduced scale, special attention being devoted to a survey of the permanent and semi-permanent breeding grounds of the Desert locust within Indian limits and to the biology and ecology of the solitary phase, especially in the coastal tracts of South Baluchistan. The Oil Industry Committee dealt with a number of questions connected with the better utilization of the Indian oil seed and the exploitation of the Ottawa preferences on oilseeds and vegetable oils, and made detailed recommendations regarding the training of oil-technologists and skilled operatives for oil-crushing factories. This Committee also

recommended that, in order to provide adequate funds for research on oil seeds, for research and instruction on vegetable oil technology, and the marketing and grading of oilseeds and their products and for the dissemination of information on these subjects, a small cess should be levied on the exports of oilseeds—a proposal which was subsequently endorsed by the Advisory Board of the Council. The Fertilisers Committee did not meet during 1932-33, but work was in progress on the cooperative scheme for the collation and statistical analysis of past manurial experiments in India which has since been completed and is now under discussion.

The Research Council continued to publish the three journals—" the Indian Journal of Veterinary Science and Animal Husbandry ", " the Indian Journal of Agricultural Science and Agriculture ", and " Livestock in India "—and also issued a series of scientific occasional monographs on specific subjects.

Veterinary activities.

The Veterinary Departments like other Departments were still suffering during the period under review from the effects of retrenchment and financial stringency. All expansion of veterinary work in the Provinces and in central Institutes was rigidly excluded and recruitment of veterinary personnel was stopped; nor was it possible to expand veterinary research to the extent that is so urgently necessary in India for the development of its huge livestock population. The most striking advance registered during the year in the field of research was the successful field application of a method of vaccination against Rinderpest with the goat virus of reduced potency which has been under experiment at the Muktesar Institute for a number of years. This method has now been tested on a large scale in a number of Provinces and the results so far obtained have been very satisfactory with all the breeds of cattle and buffaloes so far tested. Work was also continued at the Imperial Institute of Veterinary Research on equine abortion, anthrax, blackquarter, and other diseases and in some cases valuable results were obtained. In the Provinces considerable advance was made in the systematic investigation of disease by the appointment of Disease Investigation officers, especially employed for the field investigation of disease and disease control methods, under a scheme framed by the Imperial Council of Agricultural Research, and extensive experimental work was done on certain diseases in provincial Veterinary Colleges also. In a country such as India, however, where disease is rife and conditions

Research.

are extremely variable, far greater facilities for fundamental research than at present exist are essential to progress in the industrial development of the livestock industries, the annual value of whose products, including the value of cattle labour but not including the very large profits made from the sale of cattle, amounts to a colossal sum.

Cattle breeding and feeding.

As regards cattle breeding, work was greatly interfered with on the Government farms by the prevailing depression and the consequent slackening of demand for stud bulls by District Boards, but progress was achieved in several directions. The Physiological Chemist, Bangalore, published a number of papers on subjects connected with cattle feeding and carried out important investigations on nutrition problems. Work was continued in Bihar and Orissa with a pure Sahiwal herd at Kanke Farm and with the buffalo herd at Sepaya, and investigations were continued in the Punjab on the determination of a satisfactory maintenance ration for dry cows using various grasses, green fodders and their silage an hay. In Madras three herds of cows were maintained at the Livestock Research Station, Hosur, and a flock of 70 ewes of Bellary breed was also maintained with the object of evolving a white breed of sheep which will produce an average quantity of wool and a good carcase. Valuable work was continued in Bombay on the improvement of the best indigenous breeds of cattle and considerable advance was reported in fixing a type in the various herds and in inducing an increase in milk yield. Work on similar lines was done in Government Farms in other Provinces also.

Cattle mortality.

The year under review was generally a bad one for cattle disease and Rinderpest and Hæmorrhagic Septicæmia in particular caused considerably more mortality than during the previous year. This was to some extent due to the inability of provincial Veterinary Departments, with the reduced funds at their disposal, to supply the large quantities of serum and other protective products demanded, to deal with the widespread outbreaks which occurred, but some of the increase is reported to have been due to increased efficiency in reporting.

Dairying.

Turning now to problems connected with dairying, at the Imperial Institute of Animal Husbandry and Dairying, Bangalore, and the Cattle Breeding Farm, Karnal, the development of dairy strains in some of the most important dairy breeds of Indian cattle

was continued. The Hariana and Thar-Parkar breeds at Karnal after nearly 10 years' work are now showing a definite advance in milk yield. At the Bangalore Institute, the nucleus of a Gir herd of milch cattle was started with a view to preserving this valuable milch and work breed and of testing it alongside the Scindi herd already in existence there. The breeding of cross-bred cattle at all these institutions has now been reduced to a minimum. Finally, a number of important experiments were undertaken during the year in connection with dairying practice both at the Institute and the Karnal Farm.

Veterinary education.

Work continued at the five veterinary colleges of India on the same lines as previously with the exception that at the Punjab Veterinary College the educational standard demanded for admission was for the first time the Intermediate in Science or Arts. The number of students at this college and at the Patna College showed some diminution, mainly owing to the difficulty experienced by graduates in obtaining suitable employment after graduation and to a reduction in the number of scholarships offered by District Boards, but elsewhere the number of admissions was generally maintained at the level of former years. At the Madras Veterinary College the 3-year course, under the new curriculum introduced 3 years ago, is now in operation and the first batch of students trained under this curriculum was passed out during the year under review.

A proposal to introduce a revised curriculum suitable for all veterinary colleges in India was discussed at the first meeting of the Animal Husbandry Wing of the Board of Agriculture and Animal Husbandry in India and an agreed curriculum was recommended by the Board for general adoption. The course of instruction under this curriculum is so arranged that it could be dealt with in a 3-year course of professional training but the Board recognized that it was extremely difficult to give a satisfactory course of instruction in the wide range of subjects now required for veterinary graduates within this time and recommended that a 4-year course should be adopted at all Indian veterinary colleges as early as possible. Post-graduate and Refresher courses were continued at veterinary colleges as before and the extended course at the Imperial Institute of Veterinary Research, Muktesar, was very fully made use of.

Forests.

The range and importance of the problems connected with the administration of India's forest area have been discussed at length

in previous reports and it is sufficient to preface the review for 1932-33 by emphasizing that the foundation of all forest management in India is the sustained annual yield, a principle which is insured by the preparation of working plans. Proper conservation has a far-reaching value in the sense that forests have an acknowledged influence on the character of the climate, the extent and distribution of rainfall, the depth and quality of the soil and the prevention of erosion which either destroys the soil entirely or leaches away its most valuable chemical properties; and it has a more immediate purpose in serving to maintain the source of revenue provided by the sale of forest products, which in addition to timbers include subsidiary products such as bamboo, lac, tanning materials, oils, turpentine and resin. In the year 1929-30, the net profit derived from the country's forests was as much as Rs. 2.50 crores. This head of revenue, however, did not escape the effects of the slump in trade. In 1930-31 the net profit fell by slightly more than one-half, and in 1932-33, in spite of rigid economy, it was only Rs. 80.59 lakhs. Of this sum, Rs. 18 lakhs only was earned by Burma. The catastrophic fall of 82 per cent from the previous maximum in the surplus of Burma, which Province has a predominant share in the teak trade of the world, gives an indication of the decline which has affected timber along with all natural products. In considering the finances of the forests of India it must, however, be borne in mind that a very large proportion of the forest area is protection forest whose reason is the protection of hill slopes and water catchment areas and from which very little revenue can be expected. Much again is grazing ground for the village cattle; and extensive free rights to grazing and other forest produce, the value of which is given at Rs. 62 lakhs, considerably enhance the real value of the forests especially to the population resident in their vicinity. These concessions provide for the free grazing of 13 million head of cattle and the free distribution of 4¾ million cubic feet of timber and 61½ million cubic feet of fuel, the value of which does not appear in the budget of the Forest Department.

Research.

Although the forests are administered provincially the importance of central research is obvious and was recognized in 1906 by the establishment of the Forest Research Institute at Dehra Dun. During the year under review the need for economy has been held constantly in view and research work has been restricted to such enquiries as are likely to yield early practical results. The new

triennial programme of research work was drawn up in close consultation with the Provinces to ensure that this end was kept in view. The number of visitors to the Forest Research Institute and its museums has increased considerably, but there is an ever increasing need for the organization of publicity work to make more widely known the results of forest research and the possibilities of better forest utilization throughout India. The Silviculturist published several records of great value to the territorial forest staffs on such subjects as stump planting by using root and shoot cuttings, the importance of the origin of tree seed in influencing the future value of timber grown from it, the problem of the pure teak plantation, and several statistical tables. The Forest Botanist has been engaged on the identification of the grasses of the Upper Gangetic Plain, the study of root nodules and the preparation of a simple hand-book of common Indian trees. Fungal diseases of trees and epidemic attacks of beetles and other pests have also been dealt with and some progress has been made. The economic side of forest research is divided into several heads. In the Timber Testing Section, in addition to the routine work on the strength of various timbers for structural and other work, investigations were made on the degrade and loss of strength in bamboos under different methods of storage, the resistance offered by various paints to moisture, the holding power of patented nails, and the testing of glue joints used by the ground engineers of various flying clubs. In the Seasoning Section further work was done on improving the type of kilns in use and experiments are being carried out to determine the value of various preliminary treatments, before seasoning and also on the respective amount of shrinkage and cracking during air and kiln seasoning. In the Wood Preservation Section, work is proceeding on the absorption of various arsenical preservatives into the treated wood. In the Wood Technology Section, Bulletin 77—" The Identification of Important Indian Sleeper Woods " by K. A. Chowdhury formed the first of a proposed series of hand-books to help the timber users in recognizing their woods. In the Wood Working Section, trials were made of a variety of timbers for panelling, blocks for parquet flooring, etc., and tests on the value of various glues were carried out for commercial firms. In the Minor Forest Products Section further experimental work was done on the Forest Research Institute portable charcoal kiln, which will doubtless prove to be of considerable value once it has become more widely known. The Paper Pulp Section continued

its investigations into the pulping of bamboos and proof was established that bamboo, which has dried after gregarious flowering, is still quite fit for pulping four years after its death. In addition to this, a bamboo from Assam was successfully used in making artificial silk on a laboratory scale.

Forestry education.

The Indian Forest Service College was closed after the 1930-32 class of two students had completed their course on the 31st October 1932. The Government of India have since offered the Chandbagh College estate to the Indian Public Schools Society. If and when the training of forest officers for the gazetted grades of the provincial services is resumed it will be possible to re-open the college in the buildings of the new Forest Research Institute where there is ample accommodation.

The Forest Rangers' College remained open with two classes in residence until the 31st October 1932, when the 1930-32 class of 19 students passed out. Out of these students 5 were from the United Provinces, 7 from Assam, 5 from Kashmir, 1 from Nabha and 1 from Chamba. The 1931-33 class consists of 9 students recruited for Assam, Punjab, North-West Frontier Province, Bengal, Mandi and Gwalior.

At the moment owing to retrenchment and reduction of staff there is very little new recruitment and the Government of India have decided to have no Rangers' course for the years 1933-35 and 1934-36.

The Provinces.

Most of the Provinces reported steady progress and development during the year under report, though there is considerable departmental anxiety as to the effects of heavy retrenchment in funds and personnel on important work such as the formation of plantations to replace felled crops, the proper thinning and tending of established young woods, and the upkeep of forest roads and buildings. This anxiety is particularly marked in Assam, Bihar and Orissa, Bombay, Burma and the Punjab. In these Provinces drastic reduction of gazetted staff has either been effected or is under consideration. Provincial control of forests has already been effected in Bombay and Burma. It was introduced in the North-West Frontier Province during 1932, and is to follow the introduction of the new constitution in the remaining Provinces.

The continued trade depression has been met in most Provinces by an effort to find new markets and to develop existing ones for local

timbers. These activities are described in the provincial reports, but may be briefly summarized here. In Assam a small demand for impregnated wood has been created and encouraging results are reported on the regeneration of *hollock*, which is being used in increasing quantities for plywood. In Bengal considerable progress has been made in finding wider markets for birch and *garjan*, and in finding other white woods for use in the match industry which is developing rapidly. The paper mills are making increased use of bamboos in Bengal and Bihar and Orissa. The lac crop which is the source of a large village industry in Bombay, Bihar and Orissa, and the Central Provinces makes only a very small margin of profit, but owing to the competition of synthetic substitutes it is unlikely that prices will improve. In Burma the compilation of working plans has virtually stopped owing to enforced economy, but some valuable work has been done on the regeneration problems of the more important timbers such as teak, *in* and *ingyin*. Seasoning, wood preservation and the working qualities of Burmese woods all received attention, and the use of *padauk* for ships' boats has been exploited. In the Central Provinces the closer utilization of teak was achieved in marketing material which was previously scrapped as sawing waste. The forests are now being reclassified according to their relative importance as timber forests or as grazing grounds with a view to laying down a definite policy in grazing control. In the Punjab and the United Provinces the resin industry continued to give good results in spite of strong competition from imported turpentine.

Irrigation. Turning now to India's irrigation problems, it was mentioned in the last report that 50 years ago the extent of land irrigated by Government works was already 10½ million acres. By 1900 this area had been almost doubled and at the present time has been nearly trebled. During the year 1931-32, the latest period for which detailed statistics are available, the total acreage irrigated by Government works was 29.6 millions, representing 12 per cent of the total area sown. This acreage it may be noted is much higher than in any other country in the world. During the year under review the total length of the main branch canals and distributaries in use in India amounted to some 75,000 miles and the estimated value of the crops supplied with water from Government works was Rs. 86 crores. The Province with the largest irrigated area was the Punjab where the total acreage amounted to 10,961,000; moreover,

a further 1,393,000 acres were irrigated from channels which, although drawing their supplies from British canals, lie wholly in Indian States. In this Province more than one-third of the total area sown was irrigated by Government canals. Next came the Madras Presidency with an irrigated area of 7,437,000 acres out of a total of 38,345,000 acres; Sind with 3,495,000 acres out of a total of 3,729,000; and the United Provinces with 3,486,000 acres out of a total of 43,105,000. The total capital outlay on irrigation and navigation works, including works under construction, amounted at the end of the year 1931-32 to Rs. 142.6 crores. The gross revenue was Rs. 11.54 crores and the working expenses Rs. 4.45 crores, the net return on capital being therefore 5 per cent.

The Lloyd Barrage.

A brief account must now be given of certain important irrigation projects. The Lloyd Barrage in Sind and all its major channels have now been completed. The year 1932-33 was devoted to the design and construction of the remaining minor channels, including watercourses, together with the necessary regulators, falls, bridges and modules. The remodelling of the existing channels was also taken up and several of these projects were under consideration. The Barrage canals, which were opened early in the year, were tested to their full supply levels, and the result generally was satisfactory, though some of the banks showed considerable settlement and these were strengthened as required. The general working of the canals during this first year of their operation was very satisfactory, the total area irrigated being 25,00,067 acres, of which 13,45,000 acres were in *Kharif* and 11,55,067 acres in *rabi*; the area of wheat amounting to 7,00,230 acres as compared with an average wheat area during the five years ending 1930-31 of 1,83,043 acres only in the same tract. The Flood Protective Bund had not been entirely completed and heavy floods from Baluchistan and the Khirtar Hills caused some damage in consequence to the distributaries and minors of the Johi Branch of the Dadu Canal and to the Warah Branch of the North-Western Canal. With the opening of the Rohri Canal and the two Khairpur State Feeders, an appreciable rise in the sub-soil water table has taken place in the vicinity of the Rohri Canal in its upper reaches. As a result some lands have become water-logged and there is danger of this damage extending. Investigations of alteration in sub-soil conditions are in progress and experimental work is in hand to devise means of curtailing seepage loss and provide effective sub-soil drainage.

Another important work which reached completion by the end of 1932-33 was the Sutlej Valley Project which received the sanction of the Secretary of State for India in 1921-22. It falls into four natural groups centred on the Ferozepur, Suleimanke, Islam, and Panjnad Headworks. During the triennium ending 1932-33 all the State Canals taking off from the first three headworks, namely the Bikaner, Fordwah, Eastern Sadiqia, Bahawal and Qaimpur Canals were handed over to the States. The remaining two Canals, namely the Abbasia and Panjnad Canals taking off from the Panjnad Headworks, were also handed over to the Bahawalpur State during the year. The total expenditure on the Project to the end of 1932-33 amounted to Rs. 21.12 crores which include Rs. 11.63 crores contributed by the States of Bikaner and Bahawalpur—the co-partners in the Project.

As was mentioned in the last report, a Central Bureau of Irrigation was established in 1931 to co-ordinate the various activities of the provincial Departments. The Bureau continued to function satisfactorily throughout the year under review.

Industry.

We propose now to deal with India's industrial problems during the year. Attention has been drawn in previous reports to the fact that India is primarily an agricultural country and the percentage of her people engaged in industry is comparatively small. Not more than 10 per cent of the population according to the 1931 census figures, are employed in organized industrial establishments, but this proportion means that more than 15 million people are engaged in some form of industrial pursuit and the number shows a tendency to rise. As is well-known, India has been listed by the International Labour Office as one of the eight important industrial States of the World, and its industrial problems are therefore of considerable importance.

Action on the Labour Commission's report.

In the last number of this review reference was made to the report of the Labour Commission which was published in July 1931, and a summary of its recommendations was also given. Considerable progress was made during the year with the consideration of these recommendations and action was taken by the provincial and Central Governments on some of them. The passing of the Employers' and Workmen's (Disputes) Repealing Act last year, in pursuance of the recommendations of the Commission, was followed by the Trade Disputes (Amendment) Act, the Tea Districts Emigrant Labour Act

and the Children (Pledging of Labour) Act. The Trade Disputes (Amendment) Act protects members of Courts of Enquiry from prosecution for disclosures of confidential information made in the discharge of their duties. The Tea Districts Emigrant Labour Act removes from the statute book the last vestiges of the penal contracts for labour. And the Children (Pledging of Labour) Act penalises the pledging of the labour of children—a practice which still prevails in various parts of the country. The Workmen's Compensation (Amendment) Bill, which was introduced in the Legislative Assembly last year and is based on the Commission's recommendations, and the Land Acquisition (Amendment) Bill which is designed to facilitate the acquisition of land for the housing of labour and was introduced during the year under report, were both circulated for opinion and were reported on by the Select Committees in February 1933. A Bill to regulate the prompt payment of wages and deductions therefrom was also introduced during the year and circulated for eliciting opinions thereon. In addition, Government have been examining the recommendations of the Commission relating to the regulation of factories using power and the question of making besetting an industrial establishment for the purpose of the collection of debt from workmen a cognizable offence. Local Governments were addressed on both subjects during the year and the opinions received (which were complete about the end of the year) are now under consideration. Local Governments were also addressed on the question of the exemption from attachment of wages and salaries and on periods of wage payments. Their replies on these subjects were awaited at the close of the year.

The Factories Act.

Turning now to the ordinary administrative features of industry during the year, the latest report of the working of the Factories Act covers the year 1932. The total number of registered factories was 9,431, as compared with 9,233 in 1931. This shows that in spite of the continued depression in industry there has been no setback in this respect, but the pace of new enterprise has slowed down. The most noteworthy increase in new establishments was in the United Provinces where the number of working sugar factories rose from 61 in 1931 to 95. Five new cotton mills were opened in Ahmedabad and the hosiery industry in the Punjab and the cigarette making and match industries in Bombay made some progress. On the other hand, a number of rice mills and jute presses in Bengal, saw

mills in Burma, and cotton ginning and baling presses in the cotton-growing Provinces closed down during the year. In spite of the continued industrial depression, the decrease in the factory population was only 11,776 as compared with 96,815 in 1931. The average number of operatives employed was 1,419,711 against 1,431,487 in the preceding year. The effect of the depression was most marked in the jute mill industry of Bengal, which recorded a decrease of 13,975 operatives. In contrast to this, the cotton textile industry which reached the record figure of 382,525 operatives in 1931 showed a further rise of 14,833 during the year under review. The increase was shared by all Provinces. The expansion of the sugar industry in the United Provinces gave employment to over 10,000 workers. There was a further fall in the number of women and children employed from 2,58,115 to 2,47,415. As regards working conditions, there was a tendency to shorten weekly hours, particularly for women in perennial factories and children in seasonal factories. There was an all-round decrease in the number of infractions of the labour provisions of the Act in most Provinces, but in seasonal factories, especially in the Bombay Presidency, the tendency to disregard the rules about hours of work was stated to be still prevalent. Earning showed a tendency to fall still further, but on the whole wage-rates appear to have moved little from the level of 1931. Considerable progress was made in housing schemes for workers in the United Provinces and some other centres and the volume of welfare work was maintained at a steady level in spite of adverse financial conditions. There was a fall in the number of recorded accidents from 19,807 in 1931 to 18,127, the number of fatal accidents being 162, as against 174 in 1931. This result is partly attributable to better recording and partly to the decrease in the number of new recruits to industry. Some progress was achieved in safety propaganda in all Provinces. Finally, the number of convictions decreased from 1,016 to 906.

Workmen's Compensation Act.

There was a fall in the number of cases falling within the purview of the Act from 17,489 in 1931 to 14,261 in 1932 and the amount of compensation paid declined from Rs. 10½ lakhs to a little over Rs. 8 lakhs. The decline which was shared by all important industrial Provinces is explained by the fall in the number of accidents. The bigger employers in many Provinces continued to display anxiety in seeing that their injured employees received their just dues, but this tendency is not noticeable amongst the smaller

employers and trade unions generally have not yet taken a prominent part in assisting workmen to obtain compensation under the Act.

Trades Unions.

The trade union movement continued to expand in the year 1931-32, the last year for which statistics are available. The number of registered unions rose in this year from 119 to 131 with a total membership of (excluding ten unions for which figures are not available) 2,35,693. Increases were registered in Bengal, the Central Provinces, Delhi, Madras and the Punjab, the greatest increase being in Madras where the number of registered unions rose from 17 to 23 while the membership of the registered trade unions in the Presidency rose from 36,876 to 42,402. There were decreases in recorded membership in Ajmer-Merwara, Bombay, Burma, Delhi and the United Provinces. In the United Provinces, there has been a substantial decline in the number of members of unions of railway employees. The total income of the unions rose from Rs. 407,379 to Rs. 478,265 and the balances in hand from Rs. 377,189 to Rs. 546,690. Organization among women workers, on the other hand, continued to be slow, the figures of membership of registered trade unions of women showing a slight increase from 3,151 to 3,454. The figures given in this paragraph do not however give an accurate idea of the extent of the movement as registration in India is not compulsory and no statistics are available for the several unregistered unions in the country.

Trade Disputes Act.

As regards the working of the Trade Disputes Act of 1929, it was mentioned in the last report that the Governor-General in Council had set up a Court of Enquiry under Section 3 of the Act to investigate certain matters connected with staff retrenchment on Indian railways. The Court held public sitting in various important centres and recorded evidence. The workmen were represented by the All-India Railwaymen's Federation, but in several cases they were also heard individually. The report of the Court was published on the 9th March 1932. The most important recommendation was that concerning the reinstatement of 80 discharged men and the reconsideration of 68 other cases. This was accepted by Government. The provisions of the Act were not resorted to on any other occasion during the year.

Strikes.

The situation as regards industrial disputes showed a definite improvement during the year 1932. The total number of strikes dur-

ing the year was 118 and the total number of workers involved was 128,099, as compared with 166 strikes involving 203,008 workers during 1931. The number of strikes and of workers involved are the lowest hitherto recorded for any year since 1920, when statistics of strikes were first collected. The total number of working days lost during the year was 1,922,437, as compared with 2,408,123 during 1931. The most serious strikes of the year were (*i*) that in the Madras and Southern Mahratta Railway Workshops at Perambur, Arkonam and Hubli which involved about 8,300 workmen and was responsible for a loss of 440,000 working days during 1932, and (*ii*) the strike in the Howrah, Kinnison, Kelvin and Standard Jute Mills in Bengal, which affected about 19,000 workers and involved a loss of 331,000 working days. In 71 of these strikes the chief demand related to wages or bonuses; this is a higher proportion than has been recorded since 1921. The number of strikes where the workmen were successful in gaining any concessions was approximately 36 per cent of the total number.

International Labour Organization.

Reference was made last year to the resolution adopted by the Indian Legislature and accepted by the Government of India on the subject of the Draft Convention and Recommendations concerning forced or compulsory labour. The resolution was brought to the notice of the local Governments and Administrations for information and necessary action and the Indian States were also asked to cooperate and to take such action on the provisions of the Convention as might be considered suitable and necessary in the individual circumstances of each State. At its 16th session held at Geneva in April 1932, the International Labour Conference adopted a Draft Convention and Recommendation concerning the age for admission of children to non-industrial employment. Under Article 405 of the Treaty of Versailles the Draft Conventions and Recommendations of the International Labour Conference are to be brought before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action; and as the competent authority in this case is the Indian Legislature, the Draft Convention and the Recommendation concerning the age for admission of children to non-industrial employment were placed before the Council of State on the 8th December 1932. The Council adopted a resolution recommending to the Governor-General in Council that he should not ratify the Draft Convention or accept the Recommendation. Notice of a

similar resolution was given to Legislative Assembly but it did not come up before that House before the close of the year.

Indian Stores Department.

The value of stores purchased during the year amounted to Rs. 3,30,91,000, as against Rs. 3,60,00,000 during the preceding official year. The fall mainly occurred in the value of purchases of textile stores, which decreased from Rs. 1,06,15,000 to Rs. 79,12,000 chiefly due to smaller demands for Army clothing. There was a small decline in the value of Engineering and Miscellaneous stores purchased during the year due to continued financial stringency and the downward trend of prices. The value of stores inspected by the various organizations under the Department during the year amounted to Rs. 3,54,08,000, as against Rs. 4,84,22,000 during the preceding year. In addition to this, rails, fish-plates, castings, pipes and other steel products aggregating 1,56,000 tons were inspected by weight, as against 3,11,000 tons inspected during the year 1931-32. The heavy decline in the value of stores inspected was due to the general curtailment of programmes of capital expenditure, particularly in the orders from Railway Administrations for bridge and structural work, sleepers, rolling stock, rails and fish-plates. The total number of tests, analyses and investigations carried out at the Government Test House at Alipore and at the Metallurgical Inspectorate amounted to 34,817, as against 33,641 during the year 1931-32.

CHAPTER IV.

Communications.

Scope of Chapter.

We propose in this Chapter to deal with the year's administration of India's railway system, her posts and telegraphs, roads, wireless stations and air services.

Railways. General administration.

A review of the financial position of the railways will be found in Chapter VI; here we are concerned with general administrative questions. Owing to the continued fall in railway earnings during the year, retrenchments of staff which had been suspended in July 1931 were resumed in June 1932. According to an estimate made in January 1932, the surplus was placed at 7,477, with a further surplus of 4,482 anticipated as likely to arise in the near future. In authorising the resumption of retrenchment in its *communiqué*, dated 6th June 1932, Government laid down certain instructions for the guidance of State-managed railways, with an invitation to Company-managed railways to follow a similar procedure. These instructions aimed at giving timely notice to the employees affected through their Unions with a view to enable them to make representations, and provided for the adoption of other expedients for spreading work with the object of reducing the number of discharges. In addition to this, special terms were given to various categories of staff for voluntary retirement and for discharge of surplus staff, the terms offered to men in inferior service in particular being somewhat more liberal than the terms usually given to such staff on discharge. Settlement passes were allowed to all staff both on voluntary retirement and on their discharge from service. These terms for voluntary retirement were allowed to remain in force on all railways up to the 31st July 1932, in units in which there was a surplus, and up to the 31st October 1932, in units in which there was no surplus but where there was a waiting list of men discharged. The dates for voluntary retirement of surplus staff were, at the request of individual railway administrations, extended beyond the 31st July 1932. The retrenchment effected by railways after the 6th June 1932 was reviewed early in September 1932 and it was found that, excluding an estimated surplus of approximately 2,000 employees on the Bengal Nagpur Railway and 400 in the Ajmere workshops of the Bombay, Baroda and Central India Railway, the total number of staff to be discharged was 1,866; but this figure does not include 710 employees in the Bombay Division of the Great Indian Peninsula Railway who were

expected to become surplus and whom the Agent of the Great Indian Peninsula Railway was endeavouring to absorb by interdivisional transfers. The number of voluntary retirements on all railways up to the 1st week of September 1932 was about 4,250, which shows that, out of the total number of 7,477 employees estimated as likely to be surplus in January 1932 with a prospect of a further surplus of 4,482 employees, the number to be discharged was relatively low, as a result largely of the offer of special terms for voluntary retirement, of normal wastage, and the adoption of other expedients for spreading work. The above figures of staff discharged exclude 342 workshop employees discharged by the Bengal and North-Western Railway and Rohilkund and Kumaon Railway in May 1932, *i.e.*, before the issue of the *communiqué* of the 6th June 1932 referred to above, following a protest by the workmen against short-time working. The recommendations of the Court of Enquiry which had been set up in August 1931 regarding the reinstatement of certain employees who had been discharged were accepted by Government and the Agents of Company-managed railways were invited to adopt a similar course. The report of the Court of Enquiry and the Government's decisions on its recommendations came up for discussion with the All-India Railwaymen's Federation at the Fifth half-yearly meeting held in June 1932, when the Federation commented on the fact that, while accepting the Court's recommendation for the reinstatement of certain persons, the Government of India had reserved for further consideration the cases of persons discharged or demoted otherwise than as a measure of retrenchment. In response to this representation of the Federation, the Chief Commissioner of Railways stated that, so far as the State-managed railways were concerned, such cases would receive his personal attention, while with regard to Company-managed railways the Agents would be invited to follow a similar procedure. This undertaking was given effect to.

The question of extending the application of the Hours of Employment Regulations to the Burma and the Company-managed railways was reviewed by the Board early in January 1933, and it was decided that, in view of the prevailing financial stringency, it would not be possible to extend the application of the Regulations to these Railways for the time being, but these railway administrations were asked not to relax their efforts to apply the provisions of the Regulations where this was possible without incurring additional expenditure.

During the period under review, the recommendations of the Royal Commission on Labour in so far as they affected railways continued to engage the attention of the Board. In December 1932, instructions were issued to State-managed railways, with an invitation to Company-managed railways to follow a similar procedure, giving effect to certain important recommendations designed to secure an improvement in the conditions of work of railway employees.

As regards Indianization of the superior branches of the railway services, the ratio of Indian recruitment in the case of State as well as Company-managed railways rose to 60 per cent during the year. The latter have been reminded of their obligation to advance Indian recruitment to 75 per cent, as recommended by the Lee Commission, and have agreed to fall in line with the policy of Government. As regards the difficult question of minority representation in the railway services, the report of the Officer on Special Duty appointed in 1931 to study the subject and make recommendations was considered by the Railway Board and its proposals were submitted to Government during the year.

Owing to the need for rigid economy, the Railway Staff College, Dehra Dun, was closed in February 1932. During the year, the question of providing alternative arrangements for the training of the staff was under the consideration of the Railway Board. Training to probationers is at present given by the Railways to which they are posted under directions issued by the administration.

Constructional work.

There was no new construction initiated during the year under review, but as the construction of works undertaken before the recent depression was not suspended, a total length of 306 miles of new line was completed and opened to traffic during the 12 months ending on the 31st March 1933. The principal new lines are the Tangla-Rangapara and the Bidar-Purli Railways, of which the latter, 110 miles in length, is an enterprise of H. E. H. the Nizam's Government. The very important short link known as the Calcutta Chord Railway was also brought into use. It was primarily constructed to facilitate the transport of coal from the East Indian Railway to the docks, and though built to the standard of passenger traffic, is at present only being used by mineral trains. In addition to these 3 lines some 495 miles of new line were under construction at the close of the year. Apart from the building of new railway lines commenced before the

depression, the Railway Board also had in hand a number of other constructional works. Notable among these is the bridge over the Irrawaddy river at Sagaing, which meets a long-felt want for a permanent connection between the two main sections of the Burma Railways which hitherto have been linked by a ferry service only. Progress was also maintained on the reconstruction of several major bridges begun in recent years and on the conversion to broad gauge of the Shoranur-Cochin metre gauge Railway.

Local Advisory Committees.

As has been pointed out in previous reports, the various local Advisory Committees constitute a valuable link between railway administrations and the travelling public affording, as they do, opportunities for discussion on matters of interest and importance to the general public. During the year under review, 110 meetings of these Committees were held. Particulars of the subjects discussed at these meetings and the action which the railway administrations concerned decided to take thereon are embodied in pamphlets published quarterly by the Railway Board. Some of the more important matters discussed were the provision of Indian dining cars, reductions in rates and fares, arrangements of dealing with traffic at festivals, and overcrowding in lower class carriages.

The Railway Rates Advisory Committee.

The Railway Rates Advisory Committee continued to function till the 7th December 1932, under the presidentship of Sir Narasimha Sarma, K.C.S.I. Owing to his death on the 8th December 1932, the sittings of the Committee were temporarily suspended pending the appointment of a new President. Opportunity was taken at this stage of formulating proposals for the future conduct of the work of the Committee, which, while aiming at all the economy possible, were considered to be free from certain unsatisfactory features of the previously existing arrangements, but these proposals could not be given effect to during the year. Five cases were referred to the Committee for investigation and report, none of which was finally disposed of before the close of the year. The Committee, however, reported on the case of the Colliery Owners' Association, Chhindwara *versus* the Great Indian Peninsula and Bengal Nagpur Railways (referred to in the last year's report) regarding the rates and through booking facilities for coal from colliery stations in the Central Provinces situated on the Bengal Nagpur Railway. In this case the Government of India agreed with the recommendations of the Committee as to the introduction of through booking facilities

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from the Bengal Nagpur Railway *via* Parasia, which supported the applicant's contention. As regards the rates, Government accepted the views of the Committee that the rates over the Great Indian Peninsula Railway's portion should be charged at the C. P. coal scale, which partially met the request of the applicant.

Alterations in rates and fares.

Mention must be made at this stage of the effects of the trade depression on railway rates and fares. No important revisions were made during the year, most avenues for increasing revenue having been explored in the previous year. The enhancements in passenger fares and in the rates for luggage and parcels traffic which were introduced over certain railways during the previous year remained in force in the current year. In addition, the fares for 1st, 2nd and 3rd classes were enhanced on some other railways during the current year. Cheap single return journey tickets and reduced rates for parcels traffic were introduced on most railways to meet motor bus competition between many points. The surcharge on coal and coke which was introduced during the last year continued during the current year and assisted in conserving revenue. Many special reduced station to station rates were introduced on all railways with a view either to assisting indigenous industries, encouraging movements of traffic, or meeting competition with sea, river and road transport.

The Central Publicity Bureau.

Owing to various factors which adversely affected world cruise tourists, the " luxury " tourist traffic, on which the movement of tourist cars depends, was also affected and was less than last year. However, in spite of these adverse factors, the number of independent enquiries from persons contemplating travel to India appreciably increased with the result that the total figures of enquiries for the period under review mark an improvement over those of last year. A new departure during the year was that of advertising India on the Continent which resulted in several enquiries from France and Germany. Another encouraging feature was the growing interest displayed in the development of conducted tours by important tourist agents and shipping companies with which the Central Publicity Bureau and its New York and London offices are in cooperation. Apart from these general activities, new experiments were undertaken to foster third class traffic, especially pilgrim traffic to *melas* and other religious festivals, as the result of cooperation between the railways concerned and certain religious bodies. The

total expenditure of the Bureau declined from Rs. 10⅓ lakhs in 1930-31 and Rs. 6⅓ lakhs in 1931-32 to Rs. 5 lakhs in the year under review.

Purchases and Stores.

During the year under review 22 B. G. and 52 M. G. locomotives, 711 B. G. and 325 M. G. coaching underframes and 850 B. G. and 528 M. G. goods wagons were on order for Indian State-owned railways. These figures include the arrears brought forward from previous years and coaching underframes and goods stock are expressed in units of 4 wheelers. The desirability of utilising to an increasing extent the agency of the Indian Stores Department for the purchase and inspection of railway materials continued to receive attention. After a review of the list of items, which the State-managed railways are required to purchase through the Indian Stores Department, it was decided to add to this list certain engineering stores such as lifts, pumping plant, water columns, tanks, steel poles, etc. It is interesting to note in this connection that though market price continued to fall during the year and the total cost of all materials purchased by Class I Railways (excluding H. E. H. the Nizam's State and Jodhpur Railways, which are mainly the property of Indian States) decreased considerably due to continued financial stringency, the value of stores obtained by Railways through the Indian Stores Department rose to Rs. 1,52.77 lakhs during the year under review.

Accidents.

There were 11 serious accidents during the year as compared with a similar number in 1931-32, but none was due to deliberate mischief. In the majority of cases the accidents resulted from the rashness of cartmen in attempting to cross level crossings when the train was close to these crossings. Certain accidents aroused greater interest. On the 17th April 1932, a light engine ran into a motor car at a level crossing on the East Indian Railway between Manirampore and Begumpur as a result of which 4 persons were killed. On the 13th May 1932, a mixed train was derailed between Dodjala and Devanhalli on the Mysore railways owing to the failure of the running gear of the leading wheels of one of the wagons and damage to the extent of Rs. 18,000 was caused. On the 22nd July 1932, the Frontier mail ran into a motor lorry at a level crossing between Nowshera Thana and Pir Piai on the North-Western Railway. The accident was due to one of the gates of

the crossing being open, having either been forced by the lorry or left open by the gateman. Of the passengers in the lorry, 3 were killed instantaneously and 6 were seriously injured, of whom 2 died later. On the 1st November 1932, the s.s. " Tuscania " Boat Special ran into a trolly near Lakheri on the Bombay, Baroda and Central India Railway. The Sub-Permanent Way Inspector in-charge of the trolly was killed. He was himself responsible for the accident in not taking measures to safeguard the running of his trolly though aware that the Down Special was expected to pass that locality at any moment.

Roads.

Besides a comprehensive review of the present Indian road system as a whole, the circumstances that called for the appointment in 1927 of the Indian Road Development Committee; the institution, in pursuance of the recommendations of this Committee, of a Central Road Development Account from the proceeds of an additional earmarked taxation for road development levied on motor spirit since March 1929; and the main activities connected with the administration of this Account in the first three years of its existence have all been exhaustively dealt with in the earlier issues of this publication. In order, however, to afford a general glimpse into the subject, only a brief mention is made here of the basic principles on which the Account operates, and for the rest, the following paragraphs merely chronicle the main events connected with the progress of this Account during the year under review.

The Road Development Account.

A resolution adopted by the Central Legislature in 1930 provides for the allotment, as a block grant, for expenditure on road development of the proceeds of the enhanced tax of 2 annas per gallon since March 1929, and of 2½ annas per gallon since October 1931, in the import and excise duties on motor spirit, and for the continuance of this arrangement for five years in the first instance till March 1934. The unexpended balances in the account do not lapse at the end of a financial year but are carried forward for expenditure in the succeeding years. Ten per cent of the annual revenue in this block grant is retained by the Government of India as a reserve for administrative expenses, research, and grants for special works of importance. The remainder is apportioned among the Governors' Provinces in the ratio which the petrol consumption in each such Province bears to the

total consumption in India during the previous calendar year and the balance representing the consumption of petrol in Minor Administrations and Indian States is allotted to the Government of India as a lump sum for distribution among them. In the administration of the Road Development Account, the Government of India are advised by a Standing Committee for Roads of the Central Legislature, which is constituted every year with the Member of the Governor-General's Executive Council in-charge of the Department of Industries and Labour as Chairman. All expenditure from the Account and its annual budget require the approval of the Committee, which also advises on questions relating to roads and road traffic generally and on the action to be taken by Government on the proceedings of the Road Conferences held from time to time. The provincial programmes of road development to be financed from their shares in the Account are also referred to the Committee.

Financial position of the Account.

In the first 49 months ending March 1933, the total revenue credited to the Road Development Account was Rs. 4,04.19 lakhs. After setting aside a sum of Rs. 40.41 lakhs towards the 10 per cent reserve, the net amount available for apportionment in respect of this period among the Provinces, Minor Administrations, and States was Rs. 3,63.78 lakhs. From this, allotment to the extent of Rs. 3,19.19 lakhs was made prior to the end of March 1933, leaving a balance of Rs. 44.59 lakhs to be carried forward. Despite the general trade depression, the revenue in this account owing to the imposition of the emergency surcharge of 25 per cent on import and excise duties on petrol, remained practically stationary.

Expenditure in the ten Provinces with one or two exceptions, was on the whole more satisfactory than in previous years. The Governors' Provinces who between them were allotted Rs. 2,70.60 lakhs had up to the end of 1932-33 spent Rs. 1,26 lakhs on their approved programmes. In addition, the Government of Bombay, the Punjab, the Central Provinces and Assam had, owing to the prevailing financial depression, borrowed temporarily from their shares a total of Rs. 31.04 lakhs for the maintenance of existing roads or the completion of works undertaken before the institution of the Account. The resulting balance with local Governments was Rs. 1,13.00 lakhs and this was carried forward for expenditure in subsequent years.

Grants for road experiments and special projects.

The total receipts in the 10 per cent reserve up to the close of the year was Rs. 49.80 lakhs. The reserve as already explained is earmarked for grants-in-aid for special works, research, experiments and the cost of the administration of the Account. Grants offered to the various local Governments and others for road experiments mainly on the lines recommended by the Committee of Chief Engineers of Provinces and by the Road Conference in 1931, stood at Rs. 1.50 lakhs at the end of the year 1932-33. In the present stage of development the main object of these experiments is the evolution of suitable cheap types of roads. From about 110 demands for special grants aggregating to about Rs. 3 crores considered by the Road Conference of 1931, a final selection was made in 1932 by the Government of India who have definitely accepted in respect of about 30 of these and a few more new schemes, a total liability of about Rs. 40 lakhs.

Rail-Road enquiry.

An important event during the year was the enquiry conducted by Mr. K. G. Mitchell, Road Engineer with the Government of India, and Mr. L. H. Kirkness, Officer on Special Duty with the Railway Board at that time, into existing road and railway competition and the possibilities of their future co-ordination and development in the Governors' Provinces. These officers toured the Provinces except Burma and collected much evidence and information. The report which was published early in 1933, showed the losses estimated by railways as due to motor competition and discussed the reasons and possible remedies, principally in the direction of better control of motor transport. The report also suggested that the road system of India is unbalanced in that the tendency generally is to devote attention to trunk and main roads to the neglect of local feeder or district roads which are in the main unmetalled. Among the recommendations made by the Committee were the following : (*a*) the zoning of motor transport on parallel competitive routes within a range of about 50 miles, (*b*) the operation of motor transport by certain railways on roads parallel with railways, (*c*) revision of the system of taxing motor transport; and (*d*) review of pending railway projects in the light of recent developments in motor transport. A conference was convened by Government in April 1933 to consider the position outlined in the report. Its proceedings, however, fall within the

scope of the next issue of this review. A bill was also introduced in the Assembly in September 1932 to give certain domiciled railway companies the power to operate road services : at present there is no statutory bar to State-managed Railways operating motor services, and to give Company-managed lines such powers will necessitate legislation in Parliament. This Bill was referred to a Select Committee in the Delhi session of the Assembly in 1933.

Posts and Telegraphs.

Turning now to the activities of the Posts and Telegraphs Department, on the 31st March 1932, the total number of post offices in India was 23,983, as against 24,175 on the 31st March 1931 and 12,397 at the end of the year 1900. The number of articles handled by the Department during the year 1931-32,—exclusive of money orders—was 1,175 millions consisting of 485 million letters, 493 million post cards, 76 million registered newspapers, 107 million packets and 14 million parcels, whereas in the year 1925-26 the total number of articles dealt with was 1,273 millions, and in the first year of the century 509 millions. In addition, about 38 million money orders were issued during the year. Of the total number of postal articles received, no less than 99.91 per cent were safely delivered; failure to deliver the remainder was largely due to inadequate or non-existent addressing. The total mileage over which these articles were conveyed amounted to 167,942 a great deal of which lay through wild and desolate country in which the mails were exposed to many natural dangers. Some indication of the scope of the Department's activities may be gathered from the fact that its total gross receipts during the year amounted to Rs. 10.65 crores (as against Rs. 10.78 crores in the previous year and Rs. 3 crores in 1900) and that the number of officials in its employment was 130.412 as compared with 132,398 and 61,750.

Several features of interest marked the year's work. An air mail service between Karachi and Madras was inaugurated; in despatching air mail correspondence to Persia in the West and to Siam, the Malaya States, the Straits Settlements, the Dutch East Indies and French Indo-China in the east the Dutch and French air services were utilised, and the air mail postcard service was extended to certain foreign countries.

Telegraph and Telephone Services.

The other important activities of the Department are its telegraph, telephone and wireless services. The extension of the Department's telegraphic undertakings in recent years is indicated by the fact that while the total number of telegrams handled during the year (exclusive of wireless messages), was 17,162,000, in 1900 it was less than one-third of this. As regards telephones, in 1931-32, the Department maintained 271 telephone exchanges and 21,355 connections; the corresponding figures in 1900 were 42 and 500. In addition to the Department's exchanges there are 25 exchanges managed by licensed telephone companies mostly in large towns. Trunk-line facilities were increased during the year by the opening of 4 additional trunk circuits, namely the Agra-Jhansi, Bhagalpur-Monghyr, Magwe-Minbu and Minbu-Nyanghla lines. The telephone revenue for the year showed an increase, having risen from Rs. 56,33,000 to Rs. 57,46,000 in 1931-32.

Other interesting features of the year were the improvement in long-distance trunk telephone communication; the installation of suitable telephone repeaters at intermediate stations; improvements in trunk lines between Bombay and Poona, experimental radio-telephone working between London and certain places in India; and the taking over of the telephone system at Aden and remodelling it in accordance with the standards in force in India, including the replacement of the former three magneto exchanges by one central exchange. The unification of cable and wireless working in respect of India's external communications resulted in the equalization from the 1st April 1932, at substantially reduced rates, of the charges by both routes for telegraph traffic between India and the United Kingdom. The rates by cable to certain other countries were also reduced. An improvement was made in telegraphic communication with Japan by opening in January 1933 a direct wireless service between Bombay and Tokio. Arrangements were made for the acceptance of inland telegrams at all telegraph offices in India for transmission by telegraph to Calcutta or Rangoon to be posted thence by Air Mail to Siam, the Malaya States, the Straits Settlements, French Indo-China and the Dutch East Indies.

The International Telegraph and Radio-Telegraph Conferences held at Madrid in September 1932 at which India was represented by two delegates, brought about certain important changes, such as

(1) reduction in the rate for urgent foreign telegrams from triple to double the ordinary rate, (2) fixing of the rate for daily letter telegrams at one-third of the ordinary rate subject to a minimum charge for 25 words per telegram, (3) abolition of week-end letter telegrams, and (4) introduction of a five-letter code scheme in place of the existing system at a tariff equal to $\frac{3}{5}$ths of that applicable to ordinary telegrams. The first three decisions have taken effect from the 1st April 1933. The new five-letter code system will be introduced from the 1st January 1934.

Wireless Telegraphy.

The new wireless stations on the air route between Calcutta and Rangoon were brought into regular use during the year and proved very valuable. The work of modernising the wireless station at Victoria Point and adding a direction-finding installation was put in hand; communication was also established between Rangoon and Bangkok (Siam) in connection with air services and the wireless arrangements between Karachi and the Persian Gulf were improved.

As regards broadcasting, the long-wave stations at Calcutta and Bombay continued as formerly ; the experimental short-wave transmitter at Calcutta was closed and replaced by a permanent installation constructed locally. The new " Empire " short-wave transmissions from England commenced in November and their reception in India was carried out at a number of places with varying success.

Financial position of the Department.

The financial position of the Department during 1931-32 was again far from satisfactory. Although the total working expenses, which amounted to Rs. 10.81 crores, were less by Rs. 54 lakhs than during the preceding year, the Department, after paying interest on capital outlay, suffered a loss of Rs. 94 lakhs, against Rs. 1.33 crores during 1930-31. Owing to the persistence and deepening of the trade depression, the gross receipts, which amounted to Rs. 10.65 crores, were less by Rs. 13 lakhs than the figures for the preceding year. But for the various measures adopted during the latter part of 1931-32 to enhance the postal and telegraph rates, the fall in revenue would have been much heavier.

Civil Aviation.

In spite of retrenchment, both in Government and private expenditure, the calendar year 1932 has not been without development in civil aviation. Perhaps one of the most important features

of the year is the evergrowing accumulation of signs of widening interest in aviation, and particularly an awakening of interest in the possibilities of commercial aviation in India.

Regular Air Services.

The most important development during the year was the inauguration on the 15th October 1932 of the Karachi-Bombay-Madras air mail service operated by Tata Sons, Ltd. The Karachi-Delhi air mail service continued to be operated by the Delhi Flying Club. Both these services operated weekly in connection with the Imperial Airways service from London to Karachi and the machines used were De Havilland Puss Moth aeroplanes on the former and D. H. Gipsy II Moths on the latter. The total mileage of internal air mail services was thus raised to 2,010. Negotiations for the extension of the Karachi-Madras air mail service to Colombo were in progress during the year. Negotiations were also carried on for the establishment of an air mail service from Karachi to Mughal-sarai, but were abandoned in favour of a larger scheme to form part of an extension of the British Air Service to Australia. As regards external and foreign air services, the London-Karachi air service was operated throughout the year to the previous year's time table. The machines used were four engined Handley Page 42 type aeroplanes. Certain important changes in the Mediterranean and Persian Gulf Sections of the route took place during the year. As regards foreign services, the K. L. M. (Royal Dutch Air Lines) and Compagnie Air Orient (French Air Lines) continued to be operated throughout the year. An important change of policy with regard to the use of these services for the carriage of Indian air mails was given effect to during the year. Hitherto they had carried mails to India and had delivered them to the postal authorities at the aerodrome of entry. Both services are now used for the carriage of air mails to countries East of India and from Rangoon to Calcutta. There was a notable increase during the year, both in the number of aircraft cleared and in the value of imports and exports by air through Indian air ports. The number of aircraft arrivals rose from 179 to 271 and departures from 176 to 268. The value of imports of merchandise rose from Rs. 1,50,601 to Rs. 8,28,786 and of exports from Rs. 4,286 to Rs. 15,353. Exports of bullion and currency notes also showed a marked increase.

Private flying.

On the whole good progress in the flying club movement was maintained, the only setback being the cessation of the activities of

the Punjab Flying Club. The Flying Clubs at Karachi, Delhi, Bombay, Calcutta and Madras continued operations on a subsidised basis, but the Government subsidy was reduced by Rs. 6,000 for each club. The Aero Club of India and Burma, which, in addition to its function of representing the Federation Aeronautique Internationale in India, and its responsibility for the organization of the sport of flying and air touring, is responsible for assisting Government with the administration of the flying clubs and co-ordinating their activities, also suffered a cut in subsidy from Rs. 20,000 to Rs. 16,000. The Cawnpore and Lucknow centres of the Delhi Flying Club continued operations throughout the year, and at the end of the year arrangements were made, for their incorporation as a separate United Provinces Flying Club, which will receive a Government subsidy. The Club has received a good measure of private support. The Jodhpur Flying Club, though handicapped by small membership and unable therefore to produce results comparable with those of the larger centres, continued to operate. Despite lack of Government support, the Kathiawar Flying Club came into active existence in April 1932, and the Madras Flying Club made arrangements during the year to extend their activities to Trichinopoly. The total membership of the flying clubs in India suffered a decrease from 1,880 in 1931 to 1,538 in 1932, mainly on account of the demise of the Punjab Flying Club, which had a large membership, but there was an increase in the total number of air-craft owned by flying clubs from 20 to 26; in the total number of hours flown from 9,070 to 9,717 and in the total number of passengers carried on taxi and short pleasure flights from 3,247 to 4,972. The hope that the Viceroy's trophy air race would become the most important national aviation event in India and would attract attention from abroad gives promise of being well founded. There were 17 entries and 12 starters (including 2 Comper Swifts which had flown from England for the purpose of competing) in the race held on the 10th February 1933.

Accidents.

There were 5 major and 17 minor accidents during the year. The more important of these were as follows : On the 7th June, a machine belonging to the Bombay Flying Club, flown by a member of the Club, disappeared. No trace of pilot or machine was ever found. It is presumed that the pilot flew the machine to sea and was drowned. In October, a serious accident occurred to an old war time Avro,

which was neither registered nor certified as airworthy, while flying in an Indian State; the accident was due to the breakage of the member carrying the control column bracket. On the 12th August, 2 Malay planters, flying together in an Avro Avian *en route* for England from the Malay States, left Moulmein for Rangoon. The machine is assumed to have crashed during a monsoon storm in the Gulf of Martaban, and subsequently to have been carried out to sea. Most of the accidents were due to mistakes committed by pilots, but in some cases engine failure and weather conditions were also responsible.

Viceroy's tours. Mention has been made in the last report of the use made by His Excellency the Viceroy of an Avro 10 aeroplane for purposes of touring. During the year under review, His Excellency performed 8 tours by covering a distance of 4,555 miles. The aeroplane was operated throughout the year by the Royal Air Force.

Finances. There has been considerable retrenchment in the civil aviation budget in the last 2 years. The budget provision of Rs. 35 lakhs for 1931-32 was subsequently reduced to Rs. 23 lakhs. The budget provision for 1932-33 was only Rs. 9 lakhs, but was subsequently increased to Rs. 10 lakhs.

Meteorology. During the year there was considerable development in aviation, and the Meteorological Department had to meet ever-increasing demands on its services. Though handicapped by the needs of economy, the Department continued to carry out its normal activities efficiently. Warnings of cyclones, storms, depressions, squally weather and heavy rainfall were issued as in the previous year. Nearly 3,000 weather reports and forecasts were issued, as against 2,400 during 1931-32, in spite of the reduction in the number of forecasting stations. The alteration in the route followed by the Imperial Airways, the conversion of the biweekly service into a weekly one by the French Air Mail Service, the inauguration of the regular air mail service between Karachi and Madras by Messrs. Tata Sons, Ltd., all combined to demand increased services. The cooperation of the Department was also sought by the Everest expedition. As before, candidates for pilots' B-licences were instructed and examined in meteorology and special lectures were arranged for the benefit of cadets of the 'Dufferin'. Seismological and magnetic observations at Bombay, solar observations at Kodaikanal, the time service at Calcutta, the compilation and tabulation of

climatological data, the exploring of upper air by pilot balloon ascents, periodical soundings with self-recording meteorographs; all these activities continued as in the previous year. A scheme of agricultural meteorology, financed by the Imperial Council of Agricultural Research, was started at Poona towards the end of August 1932, and a model agricultural meteorological observatory was established as an experimental measure for three years in the farm of the local Agricultural College with the cooperation of the authorities of that institution. Seasonal and crop reports were obtained on loan from provincial Governments and a beginning was made in the correlation of the yield and acreage figures of the important crops in the Bombay Presidency.

On the scientific side, the Department made fair progress during the year. About 80 sounding balloons were released at Agra and most of the instruments retrieved were found to have penetrated the stratosphere. The Meteorological Reporter, Mysore, cooperated in sending up special sounding balloons from Bangalore during thunderstorms. An improved type of wet and dry bulb meteorograph for measuring humidity in the upper air was evolved; improvements were made in the clown balloon meteorograph in order to adapt it for detailed records up to 1 km., and in the theodolite to adapt it for following balloons at night. Certain investigations on thunderstorms in the Peninsula during the post-monsoon period and the characteristics of fronts during the south-west monsoon were completed. An experimental model of a modified pattern of Shaw-Dines' Micro-barograph with a photographic recording arrangement was made. At Bombay, a photographic electrograph was installed for the regular recording of atmospheric potential gradient as a routine measure. A variety of subjects was examined, such as discontinuous fluid motion, electrical charges of raindrops, hydraulic seismographs, artificial vibrations of the ground, disturbance of pressure at the bed of deep sea, further investigation on nor'westers in Bengal and study of squalls at Karachi. Heights of the base of low clouds were measured by means of " ceiling " balloons and by search-lights at Bombay, Poona and Agra and by ceiling balloons at various places on the air-route. At Quetta a study of the local rainfall was made, and at Peshawar investigations on the thermal structure inside cumulus clouds and on the dust content of air during dust storms were undertaken. At Poona in the non-monsoon season

and at Madras in the monsoon season 75 sounding balloons were sent up and investigations into upper air conditions in normal and disturbed weather were continued. Investigations on other subjects were also in progress partly with the help of research students. A study of the sizes of water drops in cloud and rain was made. Field work resulting in useful experience in connection with a study of mists, fogs, clouds and precipitation was done by a party of Meteorologist and research students in camp at Khandala on the western edge of the Western Ghats. An examination of some Indian tephigrams from the point of view of latent instability was made. Among the results of statistical studies was the revision of some of the existing seasonal forecasting formulæ by the introduction of new factors and the regrouping of Indian geographical divisions for the purpose of forecasting. Individual members of the Department published several articles, some in foreign journals.

CHAPTER V.

Commerce.

We propose to sub-divide this Chapter into three sections. The first will describe briefly certain general features of the year's trade; the second will give details of the principal imports and exports; and the third will deal with other matters of commercial interest. **Scope of Chapter.**

Agricultural conditions during the year were on the whole satisfactory. The monsoon of 1932 was fairly normal and gave well-distributed rains over most of the country in spite of a rather weak start and a prolonged break in August. Taking the year as a whole, the total rainfall was within 20 per cent of the normal over the greater part of India. The season was generally favourable and the outturn of crops fairly good. The outturns of cotton, sugarcane, groundnut, rape, mustard and linseed increased by 12, 17, 25, 4, 4, and 10 per cent, respectively, as compared with the preceding year. Rice and wheat yielded outturns which, though slightly less than the preceding season's harvest, equalled the averages of the preceding 5 years. Even jute showed a slight increase over the preceding year's yield, although under restricted cultivation the production was again very much below normal. **Agricultural conditions.**

Industrial conditions during the year were also favourable, although sporadic strikes occurred in some jute mills in Bengal and in certain workshops of the Madras and Southern Mahratta Railway, and the last quarter of the year was marked by disputes in the Bombay Cotton Mills. These developments, however, had no appreciable effect on the year's trade. **Industrial conditions.**

The economic situation abroad was much less satisfactory. The first few months of the year were full of promise. Strong hopes were entertained that the Lausanne Conference which had recently ended would lead to a settlement of the vexed question of Reparations and War debts. Further, the successful conversion operation of the British Government had created a feeling of optimism in the market. As the year advanced, however, the situation steadily deteriorated. America's attitude to the war debts question, the failure of the Disarmament Conference, and the multiplication of tariff barriers all over the world had the cumulative effect of deepening the depression still further. Towards the end of our period, hopes were centred in the World Economic Conference which was **Economic conditions abroad.**

due to meet in June 1933, but apart from this the situation had few redeeming features.

Fall in prices.

The steady deterioration in world economic conditions was reflected in the continued decline in commodity prices in India during the year. The decline, it will be remembered, started in the last quarter of 1929. There was a temporary improvement after September 1931, when England and certain other countries went off the gold standard, but the downward trend was resumed after five months. The tendency was maintained during the year under review and the levels reached at the end of the year were among the lowest on record. The index number for Calcutta wholesale prices fell by 43 per cent from September 1929 to March 1933. The index number in September 1931 was 91 as against 143 in the same month in 1929. For the five months October 1931 to February 1932, the number was steady, ranging between 96 to 98, owing to the dissociation of sterling from gold; but from March 1932 the decline started again and the number had fallen to 82 by the end of the year.

General features of export trade.

It has been explained in previous reports that the decline in prices during the past few years has been heavier in the case of exports than in the case of imports. This, indeed, is the most conspicuous feature of the movement of prices in India since 1929. The index number of exported articles in September 1929 was 217; by December 1931 it had fallen to 123. During the period under review there was considerable fluctuation in the level. The number fell to 114 in June, but again rose to 125 in September. In the next 6 months, however, there was again a steady decline. In December the number was 120 and in March 115. As compared with September 1929, the fall in December 1931, was 43 per cent; in September 1932, 42 per cent; in December 1932, 45 per cent; and in March 1933, 47 per cent. Compared with December 1931, however, the fall in December 1932 was only 2.4 per cent, and in March 1933, 6.5 per cent. The significance of these figures will be examined in the next paragraph. The position may be further illustrated by the prices of important exports. Compared with September 1929, the following decline had taken place in the case of certain important commodities by December 1931. Rice had declined by 40 per cent; wheat by 36 per cent; tea by 47 per cent; oilseeds by 54 per cent; raw jute by 36 per cent; and raw cotton by 34 per cent. By March

1933 the percentage of decline had risen to 58 in the case of rice, 63 in the case of oilseeds, 58 in the case of raw jute, and 46 in the case of raw cotton, but had fallen to 34 in the case of wheat, and to 46 in the case of tea. As was to be expected, the fall in agricultural prices had the effect of reducing the total value of exports. In 1930-31, the exports of private merchandise were valued at Rs. 226 crores; in 1931-32 at Rs. 161 crores; and during the year under review at Rs. 136 crores. The continued decline in the value of exports was, as we shall see, one of the most prominent features of the year's trade, and the main reason for the decline was the reduced prices fetched in the world markets by agricultural commodities.

General features of import trade.

We have mentioned above that the fall in prices during the past few years has been less marked in the case of imports than in the case of exports. A glance at the index numbers of prices for imports will make this clear. Taking the Indian index number series, in September 1929, the number for imported articles was 167. By December 1931 it had fallen to 151, and at the beginning of our period it was 147. Thereafter it declined steadily to 144 in September and 130 in the following March. The decrease, as compared with September 1929, was 10 per cent in December 1931, 14 per cent in September 1932, and 22 per cent in March 1933. These figures should be compared with the corresponding figures for exports given in the preceding paragraph. They indicate clearly that the prices of agricultural commodities fell much more heavily during these years than the prices of imported articles. But this statement is subject to a qualification. The fall was undoubtedly greater in the case of agricultural prices if the levels prevailing in September 1929 are taken as the standard; but if comparison is made with the levels prevailing in December 1931, the position, it will be noticed, is reversed. Compared with December 1931, the prices of imported articles declined by 10.6 per cent in December 1932, and 14 per cent in March 1933, as against a decline of 2.4 per cent and 6.5 per cent, respectively, in the case of agricultural prices. Thus, while prices generally continued to fall during the year, the rate of decline was much more rapid in the case of imports than in the case of exports. The index number for imports in April 1932 was 147 and for exports 119. By March 1933 the former had declined by 17 points while the latter had fallen by 4 points. The rise in the value

of imports during the year is to some extent explained by this fact. The total value of imports was Rs. 165 crores in 1930-31, Rs. 126 crores in 1931-32, and Rs. 133 crores in 1932-33. The rise of Rs. 7 crores in 1932-33 is partly accounted for by the greater relative decline during the period in the prices of imported articles. There were other factors also which contributed to this result. Attention has been drawn in previous reports to the effect of unsettled political conditions on trade in general. During the year under review, there was a marked improvement in this respect. The boycott movement had been brought under control and vast masses of the consuming public remained unaffected by the Swadeshi agitation. This is illustrated especially by the rise in the value of imports from the United Kingdom against which the boycott had been mainly directed. The value rose from Rs. 45 crores in 1931-32 to Rs. 49 crores during the year under review. The rise in the total value of imports might, indeed, have been greater but for Government's policy of protecting Indian industries and the continued fall in agricultural prices. Protective duties had the effect of curtailing the import of certain classes of articles, while the decline in agricultural prices reduced the agriculturist's purchasing power and discouraged the consumption of imported goods on as large a scale as would have been justified by the low prices ruling in the market.

Summary of the year's trade.

Before giving a detailed account of the principal exports and imports, we propose in this paragraph to make a brief general survey of the year's trade. The total value of imports, as we have seen, showed a rise of Rs. 7 crores, while the total value of exports registered a decline of Rs. 25 crores. On the import side there was a marked improvement in India's demand for foreign textiles. The increase recorded under this head amounted to Rs. 12 crores on a total of Rs. 35 crores recorded in 1931-32. All the principal descriptions of cotton piecegoods participated in the improvement and both Great Britain and Japan benefited by the increase. Under the metals group there was a decline of Rs. 5 lakhs. Imports of iron and steel fell from Rs. 6,32 lakhs to Rs. 5,30 lakhs in value. Under machinery and millwork there was a decline of Rs. 38 lakhs. The value of hardware imported advanced from Rs. 2,61 lakhs to Rs. 2,99 lakhs. Imports of motor vehicles suffered a further diminution from Rs. 2,89 lakhs to Rs. 2,43 lakhs, and rubber manufactures declined from Rs. 2,21 lakhs to Rs. 1,98 lakhs. Mainly as a result

of the imposition of a protective duty, imports of foreign sugar fell from Rs. 6,16 lakhs to Rs. 4,23 lakhs. Arrivals of mineral oils fell in value from Rs. 9,04 lakhs to Rs. 6,70 lakhs. Fuel oil, on the other hand, showed a slight increase. On the export side, the outstanding feature was a further slump in the raw cotton trade due to the comparatively high prices of the Indian staples. Despatches of raw cotton fell in value from Rs. 23 crores to Rs. 20 crores and cotton manufactures recorded a decline of Rs. 1½ crores. The downward trend in the export trade in jute continued during the year and the decline in value of the goods exported amounted to Rs. 1½ crores. Under food grains the value of the shipments declined from Rs. 20 crores to Rs. 16 crores. Exports of wheat fell from 20,000 to 2,000 tons. Despatches of rice dropped in value from Rs. 18 crores to Rs. 14 crores. Shipments of tea improved in quantity, but on account of the low level of prices the value declined from Rs. 19 crores to Rs. 17 crores. Exports of oilseeds, metals and ores, hides and skins and lac also showed a decline, but there was a slight improvement in the exports of coffee. The total value of re-exports declined by Rs. 1,44 lakhs. There was an increase in the re-exports of cotton manufactures, but shipments of raw skins which normally constitute one of the major items of the re-export trade of India dropped in value from Rs. 86 to Rs. 28 lakhs. Re-exports of sugar and raw wool also suffered a decline. As was to be expected, this decline in the volume of the re-export trade particularly affected Bombay through which the bulk of the entrepôt trade of India passes.

Balance of trade and gold exports.

The visible balance of trade in merchandise and treasure was in favour of India to the extent of Rs. 68 crores as compared with Rs. 90 crores in the preceding year. This result was obtained by a large increase in the exports of gold. The net increase was from Rs. 55 crores in 1931-32 to Rs. 65 crores in the year under report. The outward flow of gold on such a heavy scale is a new feature of India's external trade. The exports have begun to assume importance only from October 1931. There has been considerable controversy as to whether the gold exported in recent years is "distress gold", that is to say, gold exported by necessitous holders to meet current expenses, or whether it has been parted with as a business proposition to realize the profit from the prevailing premium. The point has been dealt with in the Chapter on Finance.

Detailed account of Imports : Cotton and cotton goods.

The principal item in the import trade of India is cotton and cotton goods. During the year under review, it accounted for no less than 26 per cent of the total import trade. The total value of the imports of cotton manufactures was Rs. 26,83 lakhs as against Rs. 19,15 lakhs in the preceding year and Rs. 25,26 lakhs in 1930-31. Thus it will be seen that the imports under this head revived considerably as compared with the preceding year and even exceeded the figure for 1930-31, but were still considerably less than the imports of 1929-30 which amounted in value to Rs. 59,49 lakhs. All classes of cotton manufactures participated in the increase. Imports of cotton twist and yarn amounted to 45.1 million lbs. valued at Rs. 3,79 lakhs as against 31.6 million lbs. valued at Rs. 2,99 lakhs in 1931-32. Imports of piecegoods amounted to 1,225 million yards valued at Rs. 21,26 lakhs as compared with 776 million yards valued at Rs. 14,67 lakhs in the preceding year. The improvement was thus of considerable magnitude and it will be worth while examining the causes of the upward movement. The first cause which suggests itself is a probable revival in the demand for piecegoods which had fallen off considerably in the previous two years. The amount available for consumption was 333 and 364 crores of yards in 1930-31 and 1931-32 respectively as compared with 419 crores of yards in 1929-30, 365 crores in 1928-29, and 413 crores in 1927-28. Thus the postponement of demand which was the result of the peculiar conditions of the two previous years may have led to a better demand in the year under review. A second cause which also improved the demand was the considerably lower prices of piecegoods which ruled in the year under review. The Calcutta index number for cotton manufactures, which is an index of internal prices, declined steadily from 127 in April 1932 to 112 at the close of the year. The chief cause of the fall in prices was the depreciation of the Yen which made it possible for Japan to sell piecegoods in India at extraordinarily low rates in spite of the imposition of an additional duty on the imports towards the middle of the year. A third cause of the improvement, as already mentioned, was the comparative weakness of the boycott agitation during the year which resulted in an expansion of imports from Great Britain.

The increase in the case of cotton twist and yarn was remarkable. The quantity imported during the year exceeded even the imports of 1929-30 the last normal year, by 1.2 million lbs. The value of the

imports, however, though higher than in the preceding years, was less than that of 1929-30. This increase in quantity shows that the trade under this item has more or less regained its former position and that the vigour of the boycott against foreign yarn has weakened considerably. Another striking feature is the rise in Japan's share in the trade. Of the total quantity imported, 18.1 million lbs. as against 6.2 million lbs. in 1931-32 came from Japan, and 13.4 million lbs. as against 11.9 million lbs. in 1931-32 came from Great Britain. The share of Japan in the trade rose from 20 to 40 per cent during the year, while Great Britain's share declined from 38 to 30 per cent. Imports from China amounted to 30 per cent, but as most of the Chinese mills are under Japanese management, it will be seen that Japan's share in the trade was really much more than 40 per cent. Another interesting feature was the rise in imports of yarn of finer counts. But in spite of the general increase in imports of yarn, the home production also continued to increase. The total production in India rose to 1,016 million lbs. in the year under review from 966 million lbs. in the previous year. The figure of yarn production is creating a new record every year, the figures for the last 3 or 4 years being all records on the previous figures.

In the case of cotton piecegoods the increase was equally marked, but compared with 1929-30 the total quantity imported was 36 per cent lower. Both Japan and Great Britain shared in the increase. In 1929-30, imports of grey goods from Great Britain amounted to 521 million yards, by 1931-32 they had fallen to 60 million yards, but in the year under review they rose to 111 million yards. Imports from Japan, on the other hand, dropped from 394 million yards in 1929-30 to 185 million yards in 1931-32, but rose to 244 million yards in the year under review. As regards white goods, imports from Great Britain declined from 436 million yards in 1929-30 to 207 million yards in 1931-32, but rose to 281 million yards in the year under review. Imports from Japan under the head, however, rose consistently from 14 million yards in 1929-30 to 60 million yards in 1931-32 and 120 million yards in the year under review. Finally, imports of coloured goods from Great Britain dropped from 279 million yards in 1929-30 to 110 million yards in 1931-32, but rose to 194 million yards in the year under review, while imports under the same head from Japan declined from 154 million yards in 1929-30 to 95 million yards in 1931-32, but rose to the record figure of 214

million yards in the year under review. These figures show that by the end of our period Japan had ousted Great Britain from her position as the chief supplier of grey and coloured goods to India, and in regard to the trade in white goods had risen from an insignificant position to a place of considerable importance. This feature of the year's trade is all the more striking as additional duties were imposed on non-British plain grey cotton piecegoods towards the middle of the year, but the tariff change was completely nullified by the continued depreciation of the Yen and the consequent heavy decline in the prices of Japanese piecegoods.

It has been mentioned that the total imports of piecegoods, though more than in the previous two years, were still very much less than in 1929-30. The difference is to a large extent accounted for by the continued increase in home production. The total yardage produced by Indian mills rose steadily from 2,419 million yards in 1929-30 to 2,990 yards in 1931-32 and 3,170 million yards in the year under report. The rise in home production might indeed have been larger but for the uncertainty about the prices of raw cotton which prevailed during the year. The prices continued to fluctuate throughout the period and buyers were naturally reluctant to place orders as they expected the price of piecegoods to come down with falling raw cotton prices. Another factor which contributed to the same result was the unsettled conditions which prevailed in Bombay Island for part of the year owing to Hindu-Muslim disturbances. The production of the Bombay mills actually declined by 6 million yards and the net increase of 180 million yards during the year is entirely accounted for by the mills in Ahmedabad and elsewhere. Finally, the low purchasing power of the agriculturists still tended to discourage consumption on a larger scale.

Silk and wool. There was a marked increase in the imports of raw silk and silk piecegoods during the year. The former increased from 1.6 million yards, valued at Rs. 62 lakhs, to 3.2 million yards, valued at Rs. 1,17 lakhs. Japan's share in the trade rose from 34,000 lbs. to 165,000 lbs. As regards silk piecegoods, the imports rose from 20 million yards valued at Rs. 1,26 lakhs to 35 million yards valued at Rs. 1,81 lakhs. Again the greater portion of the increase fell to Japan's share. Japanese imports under this head rose from 11.7 million yards to 26.8 million yards. There was a marked increase in the imports of raw and manufactured wool also. In 1931-32, the imports

of raw wool amounted to 6.7 million lbs., valued at Rs. 31 lakhs, while in the year under review the quantity imported was 7.2 million lbs., valued at Rs. 42 lakhs. Great Britain's share in the trade increased very considerably from a little under one million lbs. valued at Rs. 9 lakhs to over 2 million lbs. valued at Rs. 18 lakhs. Imports of woollen piecegoods increased by over 8 million yards and even exceeded the imports of 1929-30 by 1 million yards. The countries which accounted for this rise were France, Italy, Japan and Great Britain, their shares being 4.6, 3.6, 1.4 and 2.8 million yards respectively as compared with 2, 1.4, 0.1 and 1.3 million yards in the previous year.

Metals and manufactures thereof.

The import group next in importance to cotton and cotton goods is metals and manufactures thereof. Imports under this head declined in quantity from 418,000 tons to 395,000 tons and in value from Rs. 9,77 lakhs to Rs. 9,73 lakhs. Iron and steel represented Rs. 5,30 lakhs of this total as compared with Rs. 6,32 lakhs in 1931-32. The world's production of pig iron continued to decline during the year, but in spite of the prevailing depression British manufacturers maintained their output to a remarkable extent, and the decline in Great Britain's output was only 5 per cent. Imports of all classes of iron and steel were lower by 12 per cent than the poor record of the preceding year and amounted to 326,000 tons as compared with 371,000 tons in 1931-32 and 614,000 tons in 1930-31. There was a slight increase in pig iron, but manufactured iron and steel, on the whole, registered a decline. The fall in imports is accounted for by the reduced purchasing power of the Indian consumer, and the growth of the Indian iron and steel industry. Great Britain's share of the total imports continued to be the highest, but there was a slight fall in the percentage from 44 to 43 per cent. The shares of Belgium and Germany, on the other hand, were well maintained, being approximately 32 and 7 per cent respectively.

Imports of metals other than iron and steel rose from 47,000 tons valued at Rs. 3,44 lakhs to 69,000 tons valued at Rs. 4,42 lakhs, there being an increase under each description of non-ferrous metal with the exception of aluminium and lead. Imports of aluminium registered a decline from 39,400 cwts. valued at Rs. 30 lakhs to 24,600 cwts. valued at Rs. 22 lakhs. This was due partly to the general depression and partly to the competition of brassware. Great Britain's share in the trade was the largest, the imports amounting to 8,000 cwts. Imports of brass advanced from 343,000 cwts.

valued at Rs. 1,26 lakhs to 571,000 cwts. valued at Rs. 1,80 lakhs. Germany continued to be the principal source of supply, the next in order of importance being Great Britain and Japan. Copper imports rose from 204,000 cwts. valued at Rs. 85 lakhs to 325,000 cwts. valued at Rs. 1,15 lakhs, the principal source of supply being Germany. Among the other non-ferrous metals which registered an increase was zinc, the demand for which continued to be strong.

Machinery.

Imports of machinery and millwork declined by 4 per cent from Rs. 11,57 lakhs to Rs. 11,16 lakhs. The trade, however, showed a noticeable expansion in some directions, notably under sugar, textile, and tea machinery. In other branches there was a marked decline due to the prevailing depression. Cotton machinery recorded an increase from Rs. 1,93 lakhs to Rs. 2,08 lakhs to which Great Britain contributed as much as Rs. 1,84 lakhs, or 88 per cent, as compared with Rs. 1,67 lakhs, or 87 per cent, in 1931-32. The steady expansion of the Indian cotton industry was responsible for this rise. Imports of jute and wool machinery also registered an increase and there was a substantial rise in the imports of tea machinery which rose from Rs. 11 lakhs to Rs. 21½ lakhs. The most remarkable expansion, however, was in the imports of sugar machinery which rose from Rs. 30 lakhs in 1931-32 to Rs. 1,53 lakhs in the year under review; the reason for this rise was the great impetus given to Indian sugar production by the passing of the Sugar Industry (Protection) Act, 1932.

Motor vehicles.

The widespread depression was particularly reflected in the motor vehicles import trade. The total import of motor cars during the year under review was 6,201 valued at Rs. 1,29 lakhs as compared with 7,200 valued at Rs. 1,48 lakhs in 1931-32 and 12,601 valued at Rs. 2,58 lakhs in 1930-31. A marked feature of the trade, however, was the expansion of Great Britain's share in the total imports. The number of British cars advanced from 2,178 or 30 per cent (valued at Rs. 50 lakhs) in 1931-32 to 3,958 or 64 per cent (valued at Rs. 80 lakhs) in 1932-33. Imports of American cars declined steadily owing to the exchange handicap and to the growing insistence of buyers for greater economy in the cost of maintenance and operation. The improvement in the British proportion was due to the suspension of the gold standard by Great Britain in September 1931. The number of motor cycles imported declined by 16 per cent. As usual, Great Britain's share in the trade was the largest. The number of other motor vehicles, *e.g.*, omnibuses, vans, lorries, etc.,

imported during the year declined from 4,302 valued at Rs. 67 lakhs to 2,676 valued at Rs. 41 lakhs. Here again the share of Great Britain improved at the expense of the United States.

Mineral Oils

Imports of all kinds of mineral oils, the next important import group, declined from 217 million gallons valued at Rs. 9,04 lakhs in 1931-32 to 188 million gallons valued at Rs. 6,70 lakhs in the year under review. This represented a fall of 13 per cent in quantity and of 26 per cent in value. Imports of kerosene oil decreased from 85.7 million gallons to 59.5 million gallons in quantity and from Rs. 4,33 lakhs to Rs. 2,54 lakhs in value. Imports of petroi also registered a decline, but there was a slight increase under fuel and lubricating oils. Among the causes of the steady decline in the imports of mineral oils generally were the fall in the purchasing power of the consuming public and the deliberate restriction in the world's output of crude oil.

Sugar.

The decline in the imports of sugar was again greater than in the case of any other important commodity. Imports in 1931-32 amounted to 516,000 tons valued at Rs. 6,01 lakhs, while in the year under review they amounted to 370,000 tons valued at Rs. 4,12 lakhs. The main fall was in the imports from Java which amounted to 295,000 tons as compared with 336,000 tons in the preceding year. Imports from Great Britain, on the other hand, registered an increase from 4,000 to 12,000 tons. Sugar prices continued to rule abnormally low and the stocks of sugar in Java and Cuba continued to expand. The main reason for the fall in imports into India was the imposition of a heavy protective duty on foreign sugar during the year. The effect of this duty was to increase the total area under sugarcane in India by over 300,000 acres.

Other imports.

There was a noticeable improvement in the import trade under several other important heads. Imports of instruments, apparatus and appliances increased from Rs. 3,69 to Rs. 3,85 lakhs; of hardware from Rs. 2,61 to Rs. 2,99 lakhs; of paper and paste-board from Rs. 2,50 to Rs. 2,86 lakhs; of chemicals from Rs. 2,57 to Rs. 2,71 lakhs; of glass and glassware from Rs. 1,22 to Rs. 1,42 lakhs; of tobacco from Rs. 94 to Rs. 97 lakhs. A fall in imports took place in the case of certain other commodities. Provisions and oilman's stores declined from Rs. 3,41 to Rs. 2,93 lakhs; dyes from Rs. 2,68 to Rs. 2,50 lakhs; liquors from Rs. 2,27 to Rs. 2,26 lakhs; rubber

from Rs. 2,21 to Rs. 1,98 lakhs; drugs from Rs. 1,91 to Rs. 1,86 lakhs; and spices from Rs. 2,08 to Rs. 1,72 lakhs.

Detailed account of Exports: Jute, raw and manufactures.

We have seen that the total value of exports registered a decline during the year from Rs. 161 crores to Rs. 136 crores. The fall was shared by all the principal exports. Jute, raw and manufactured, constitutes the most important item in India's export trade. The total exports under this head in 1928-29 amounted in value to Rs. 89 crores. By 1931-32, the value had fallen to Rs. 33 crores, and in the year under review it declined further to Rs. 31½ crores. Among the factors responsible for this decline were an increase in the supply of raw jute during the year and a fall in the world demand for jute commodities due to the general depression. The area under jute in Bengal increased to 2,143,000 acres from the previous year's estimated acreage of 1,862,000, and the yield, owing to favourable weather conditions, rose to 7 million bales. As there were already large stocks of raw jute in the mills and in the hands of cultivators and middle men, the increased outturn of the current year had a distinctly unfavourable reaction on the price level which fluctuated during the year between Rs. 38 and Rs. 23-8-0 per bale of 400 lbs.

Exports of raw jute declined from 587,000 tons in weight and Rs. 11 crores in value to 563,000 tons and Rs. 9¾ crores respectively. There has been a steady decline under the head in the last three years. Exports to Germany during the year declined by 8,000 tons and to Great Britain by 24,000 tons. Exports to France, on the other hand, increased by 17,000 tons. Exports of gunny cloth also declined from 1,021 million yards in 1931-32 to 1,012 million yards in the year under review, the decline in value being from Rs. 10,45 lakhs to Rs. 10,24 lakhs. The largest share, as usual, went to the United States, whose share, however, declined from 692 million yards valued at Rs. 6,57 lakhs to 549 million yards valued at Rs. 5,10 lakhs. The Argentine Republic, on the other hand, increased her demand from 105 million yards valued at Rs. 1,19 lakhs to 238 million yards valued at Rs. 2,47 lakhs. There was an increase, however, under gunny bags. Exports under this head increased from 389 millions valued at Rs. 10,94 lakhs to 415 millions valued at Rs. 11,16 lakhs. Australia, as usual, remained the best market for gunny bags and her share increased during the year from 68 to 99 millions. Great Britain's share in the entire trade in raw and manufactured jute registered a noticeable decline during the year.

Cotton, raw and manufactures.

The next item in importance in the export trade is cotton, raw and manufactured. In 1928-29, the exports under this head amounted in value to Rs. 74 crores. By 1931-32, they had fallen to Rs. 29 crores, and in the year under review they fell further to Rs. 24 crores. The principal cause of the decline under raw cotton, apart from the weaker demand due to the general depression, was undoubtedly the higher parity for Indian staple cotton which prevailed during the year when compared with American prices. The parity was round about 94 for the greater part of the year. The chief cause for the high parity was probably the expectation of a strong demand for home consumption as the mills were expected to produce a very heavy yardage of cloth. Another reason was that the year's crop was not a large one and coupling this with the short crops of the two preceding seasons, the statistical position appears to have been favourable. Finally, the import duty on foreign cotton also helped to raise the price of Indian cotton.

The comparatively high parity of Indian cotton led to its gradual replacement by American cotton in several countries. The total exports of raw cotton from India amounted during the year to 2,063,000 bales valued at Rs. 20,37 lakhs as against 2,369,000 bales valued at Rs. 23,45 lakhs in 1931-32. Japan, as usual, was India's biggest customer; but her share remained practically stationary, having amounted to 1,085,000 bales valued at Rs. 11,12 lakhs against 1,080,000 bales valued at Rs. 11,05 lakhs in 1931-32. This was presumably due to her having begun to import American cotton in larger quantities. Great Britain slightly increased her intakings from 166,000 bales valued at Rs. 1,54 lakhs to 167,000 bales valued at Rs. 1,61 lakhs. Exports to China and Italy, however, declined considerably from 620,000 bales valued at Rs. 6,14 lakhs to 284,000 bales valued at Rs. 2,77 lakhs. Another effect of the high parity of Indian cotton and the increase in the spinning of finer counts in India was the steady rise in the imports of raw cotton into India which amounted during the year to 85,000 tons valued at Rs. 7,26 lakhs as compared with 79,000 tons valued at Rs. 7,03 lakhs in 1931-32. The United States was the principal supplier of raw cotton to India.

The outstanding feature of the period under review for the Indian cotton mill industry was the very severe competition of Japanese imports due to the depreciation of the Yen. The competition had to be faced not only in India itself, but also in the

markets abroad. The declared value of exported piecegoods was higher than that of imported piecegoods. As a result, all branches of the export trade in manufactured cotton suffered a decline. Exports of yarn amounted to 15 million lbs. valued at Rs. 79 lakhs as against 22 million lbs. valued at Rs. 1,28 lakhs in 1931-32. Apart from a slight increase in the exports to Syria, there was a general decline in the exports to all countries. The production of cotton piecegoods in Indian mills increased by 6 per cent and constituted a new record, but there was a fall in exports from 105 million yards valued at Rs. 3,24 lakhs in 1931-32 to 66 million yards valued at Rs. 2,09 lakhs in the year under review. All descriptions of piecegoods participated in the decline except white goods which registered a substantial increase. The fall in exports was most marked in the case of Persia which took only 8 million yards during the year under review as compared with 20 million yards in 1931-32.

Tea.

Tea constitutes one of the principal items in India's export trade. During the year under review the tea industry in India passed through one of the worst years on record. Heavy over-production, excessive production of teas of inferior quality, and the reduced world demand due to the general depression, resulted in a catastrophic slump in tea prices. An attempt was made during the year to control exports by agreement between the principal producing countries, but the scheme was to come into effect after the close of our period. The position during the year was one of unrelieved gloom. Exports of tea recorded an advance of 11 per cent in quantity, but so heavily had prices declined that the value actually fell by 12 per cent to Rs. 17,15 lakhs. Exports to Great Britain improved from 291 million lbs. to 331 million lbs., but the value declined from Rs. 17 to Rs. 15 crores. Great Britain's share of the trade was 87 per cent as against 85 per cent in the preceding year. Re-exports of Indian tea from Great Britain amounted to 40 million lbs. as against 50 million lbs. in 1931-32. The re-exports to Russia increased substantially, but there was a decline in the shipments from the United Kingdom to the Irish Free State, the United States, Canada, Australia and China.

Foodgrains.

The exports under this head declined considerably both in quantity and value. The total quantity of foodgrains and flour exported amounted to 2,056,000 tons valued at Rs. 16,08 lakhs as compared with 2,614,000 tons valued at Rs. 20,37 lakhs

in the preceding year. Exports of rice declined from 2,372,000 tons to 1,887,000 tons. Consignments of wheat dwindled to the paltry figure of 2,000 tons compared with 20,000 tons in the preceding year and 197,000 tons in 1930-31. The only increase in exports was in the case of pulses which rose from 93,000 tons to 111,000 tons.

Rice accounted for 91.8 per cent of the total quantity of food- Rice.
grains and flour exported as compared with 90.7 per cent in the preceding year. Of the total exports of rice Burma accounted for 1,657,000 tons as compared with 2,134,000 tons in 1931-32, while the share of India proper was 230,000 tons as compared with 237,000 tons in 1931-32. Rice prices during the year reached a new low level as compared even with the disastrously low level of the preceding year. The chief reason for the fall was that the principal consuming countries such as the East Indies, Malaya and Java had been hard hit by the depression in their staple exports and by the decline in silver prices and could not therefore purchase rice in sufficient quantities. Another reason for the decline was that the prospects of the new crop in the latter half of the year were favourable in all the chief producing countries and heavy production was therefore anticipated. Exports to China fell from 417,000 tons to 262,000 tons; to Ceylon from 410,000 tons to 394,000 tons; to the Straits Settlements and Sumatra from 329,000 tons to 224,000 tons; and to Germany from 262,000 tons to 168,000 tons. Exports to Great Britain, on the other hand, increased from 51,000 tons to 177,000 tons; and Japan appeared as a new customer for rice in the Indian market.

Exports of wheat, as has been mentioned, declined to the Wheat.
paltry figure of 2,000 tons. India, in fact, was almost entirely cut off from the international markets for wheat during the year. There were several reasons for this. In the first place, owing to the catastrophic fall in wheat prices most of the countries had put heavy tariffs on imports or had reduced their importation by quotas, etc., in order to protect their own agriculturists. Moreover, the production in India during the year was not very much in excess of her own requirements. Finally, the existence of heavy stocks in Canada and the United States had the effect of keeping prices at a low level. The decline was shared by other foodgrains

also, but the export of gram nearly doubled as compared with the preceding year and amounted to 30,000 tons valued at Rs. 29 lakhs as against 16,000 tons valued at Rs. 17 lakhs in 1931-32.

Oilseeds.

Oilseeds constitute an important item in India's export trade. The total exports during the year, however, declined from 988,000 tons valued at Rs. 14,59 lakhs in 1931-32 to 733,000 tons valued at Rs. 11,31 lakhs. All the principal oil bearing seeds participated in the decline with the exception of rapeseed. The principal reason for the decline was the lack of demand from European oil crushers owing to the unsatisfactory prices of oils during the year. Exports of linseed fell from 120,000 tons to 72,000 tons; of groundnuts from 672,000 tons to 433,000 tons; of castor seed from 104,000 tons to 86,000 tons; but in the case of rapeseed there was a rise from 54,000 tons to 115,000 tons. With the exception of Great Britain, all other countries increased their purchases of Indian rapeseed. The Italian share rose from 18,000 tons to 68,000 tons, while exports to Great Britain declined from 14,000 tons to 11,000 tons.

Other exports.

We have mentioned that there was a general decline in exports during the year. Details of some of the principal exports have been given in the preceding paragraphs, and we now illustrate the tendency further by referring to other exports. The trade in hides and skins fell from Rs. 8,92 lakhs to Rs. 7,43 lakhs. In spite of lower prices, there was a general fall in the demand for this commodity. Business in lac continued to decline largely owing to depressed conditions in the principal consuming industries and the total exports of lac fell from Rs. 1,84 lakhs to Rs. 1,24 lakhs. Exports of raw wool declined from Rs. 2,77 lakhs to Rs. 1,23 lakhs; of manganese ore from Rs. 57 lakhs to Rs. 48 lakhs; of pig lead from Rs. 1,73 lakhs to Rs. 1,48 lakhs; of pig iron from Rs. 1,23 lakhs to Rs. 74 lakhs; of paraffin wax from Rs. 2,32 lakhs to Rs. 2,02 lakhs and of oil cakes from Rs. 2,01 lakhs to Rs. 1,96 lakhs. The only noticeable increase was in the case of coffee, exports of which rose from Rs. 95 lakhs to Rs. 1,10 lakhs.

Direction of trade.

We may conclude this description of the year's trade with a brief analysis of what is known as the direction of trade, *i.e.*, the relative movements of the share of Indian trade enjoyed by various

countries. A striking feature of the year was the rise in Great Britain's percentage share in the trade on both the export and the import side. The share on the import side had been declining steadily since 1929-30, but the process was arrested during the year under report. In 1929-30, imports from Great Britain represented 42.8 per cent of the total imports; in 1930-31, 37.2 per cent; in 1931-32, 35.5 per cent; but in the year under report the figure rose to 36.8 per cent. Exports, on the other hand, had been slowly but steadily increasing and the tendency was maintained during the year. In 1929-30, exports to Great Britain represented 21.8 per cent of the total exports; in 1930-31, 23.8 per cent; in 1931-32, 27.9 per cent; and in the year under review, 28.4 per cent. Another important feature of the year was a substantial increase in Japan's share of Indian trade. On the import side, the share rose from 9.8 per cent in 1929-30 and 10.6 per cent in 1931-32 to 15.4 per cent in the year under review; and on the export side from 10.2 per cent in 1929-30 and 8.7 per cent in 1931-32 to 10.3 per cent. There was a decline of 1.7 per cent in the United States' share on the import side and of 1.5 per cent on the export side, and a similar all-round decline occurred in the case of Germany and Java. Exports to France, however, registered a marked increase from 4.8 to 6 per cent.

These tendencies may be illustrated by figures of the principal commodities. Great Britain's share in the imports of cotton manufactures rose from 51.6 per cent to 53 per cent and there was a concurrent increase in Japan's contribution under this head from 35.5 to 38 per cent. Under machinery, the proportion coming from Great Britain rose from 70.8 to 74.1 per cent, while Germany's share fell from 10.3 to 9.3 per cent and that of the United States from 11.1 to 7.7 per cent. Under motor vehicles, the imports from Great Britain increased from 31.1 to 47.6 per cent at the expense of all other producing countries except Germany. Under iron and steel, however, Great Britain's share fell from 53.8 to 51.1 per cent, while imports from Germany increased from 7.3 to 8.6 per cent. On the export side, there was a marked increase in Great Britain's share of the trade in hides and skins, her proportion rising from 59.9 to 66.3 per cent. In raw jute, Great Britain's share receded from 27.8 to 23 per cent, while the share of France rose from 8.8 to 11.8 per cent. The exports of jute manufactures to Australia and the

Argentine Republic registered increases of 4.3 and 5.9 per cent, respectively. Under oilseeds, there was a further expansion in the shares of France and Italy, while the shares of Great Britain, Germany and the Netherlands showed a decline.

The balance of trade was in favour of India in all cases except the trade with Great Britain, Japan and the United States. Imports from and exports to Great Britain were valued at Rs. 49 and Rs. 38 crores, respectively. There was thus an import balance of Rs. 11 crores against India. Trade with other parts of the British Empire, however, showed a balance of Rs. 14 crores in favour of India. Taking all other countries together, the balance, though as usual in favour of India, declined from Rs. 21 crores in 1931-32 to Rs. 1 crore in the year under review.

Other commercial matters. Changes in tariff.

Before concluding this Chapter we may refer briefly to some other matters of commercial interest. These consisted largely of certain important changes in the tariff made during the year under review. Six Acts were passed during our period introducing numerous changes in the tariff.

The Indian Tariff (Ottawa Trade Agreement) Amendment Act of 1932.

The most important of these Acts was the Indian Tariff (Ottawa Trade Agreement) Amendment Act, 1932, which gave effect to the tariff changes necessitated by the Trade Agreement made between the Government of India and His Majesty's Government in the United Kingdom at the Imperial Economic Conference held at Ottawa during July-August 1932. The conclusion of this Agreement was one of the most important features of India's commercial history during the year.* The principal item on the agenda of the conference was the discussion of a policy of trade agreements between the different countries of the Empire for the extension of mutual trade; and the Government of India were invited, in particular, to consider the question whether having regard to the new tariff policy of His Majesty's Government in the United Kingdom, as inaugurated by the Import Duties Act, 1932, Great Britain and India should enter into a tariff agreement embodying a reciprocal preferential regime so designed as to benefit the trade of both countries. The Government of India

*The discussions on the Agreement in the Central Legislature and the reactions to it throughout the country were described on pages 68-69 of our previous report.

accepted the invitation and the following gentlemen were appointed to represent India at the Conference :—

Leader.—Sir Atul Chatterjee.

Members.—

Mr. (now Sir R. K.) Shanmukham Chetty.

Sir Padamji Ginwala.

Seth Haji Abdoola Haroon.

Sahibzada Abdussamad Khan.

Sir George Rainy.

Sir Henry Strakosch and Sir George Schuster were subsequently appointed delegates for the special purpose of dealing with monetary questions. The primary task of the Delegation was to examine with the utmost care the nature and extent of India's export trade to Empire countries, the competition to which it was exposed, the sources from which danger was to be apprehended, the value of the preferences which India already enjoyed, and the possibility of securing further advantages for India by the grant of new and increased preferences both in the United Kingdom and in the various parts of the Colonial Empire. Throughout, the object in view was to seek every opportunity of safeguarding India's existing export trade from dangers which might be apprehended, of stimulating its recovery from the prevailing depression, and of opening out new lines of development to the utmost extent possible. As a result of the discussions, there was signed at Ottawa on the 20th August 1932 a general Trade Agreement between the two countries, followed by a Supplementary Agreement regarding iron and steel on the 22nd September 1932. The outstanding feature of these Agreements is that while providing for certain margins of preference on a number of goods on importation into India from the United Kingdom or from a British Colony, they safeguard the main principles of India's economic and industrial policy. Thus the preferences granted do not in any way impair the protection enjoyed by certain Indian industries, nor do they stand in the way of protection being extended to other industries in accordance with India's policy of discriminating protection. The Agreements also exclude from the scope of preference commodities which on broad grounds of national policy are admitted either free of duty or at exceptionally low rates, *e.g.*, agricultural implements and manures, power machinery, certain classes of railway material and raw

materials. At the same time, the main Agreement has secured for India from the United Kingdom and the Colonies important preferences not merely on raw materials which India exports in abundance but also on a wide range of manufactured and semi-manufactured articles, such as iron and steel, cotton manufactures, coir and jute manufactures, undressed leather, vegetable oils, and carpets and rugs. Both Agreements were ratified by the Indian Legislative Assembly.

We may now proceed to describe the provisions of the Act which gave effect to the Agreements and which came into force from the 1st January 1933. Hitherto, the Indian tariff was a single-decker one and did not differentiate between imports from different countries, except in the case of certain protected classes of iron and steel goods and cotton piecegoods where higher rates of duty on goods manufactured in countries other than the United Kingdom were imposed. Under the Ottawa Trade Agreement, India for the first time departed from the single-decker tariff policy and adopted, on terms of reciprocity, tariff preference for certain classes of goods produced or manufactured in the United Kingdom or in the non-self-governing Colonies and Protectorates. On the part of India the Trade Agreement involved the grant to the United Kingdom of a 7½ per cent tariff preference on certain classes of motor vehicles and a 10 per cent tariff preference on certain other important classes of goods. In the class of iron and steel goods, the preference extended only to those commodities which were not subject to protective duties, and in the class of machinery, only to those articles which paid the ordinary revenue rate of 25 per cent *ad valorem* and not to those which in the interests of agriculture and industries were free of duty or were subject to a duty of 10 per cent *ad valorem*. In the class of textiles, it extended only to articles of apparel, haberdashery and millinery which were dutiable at 25 per cent *ad valorem* and to woollen manufactures, with specified exceptions in each case. As regards goods made of cotton, silk or artificial silk, it was agreed that a 10 per cent preference would be extended to these goods with the exception of certain cotton manufactures (twist and yarn, piecegoods, thread for sewing, blankets, handkerchiefs in the piece, hosiery, rope and towels in the piece), silk and artificial silk yarn, piecegoods and thread for sewing, certain goods of silk and artificial silk mixed with other materials (twist and yarn, piecegoods and thread for sewing) and articles on which protective duties might be imposed as a result of the

Indian Tariff Board's enquiry which was being conducted at that time.

In the case of Colonies and Protectorates, the Agreement provided for the grant by India of preference to certain staple exports of the Colonial Empire.

The Supplementary Agreement regarding iron and steel provided for the adjustment of the Indian import duty on galvanized sheets as shown below: Rs. 30 per ton on sheet made in the United Kingdom from Indian sheet bar; Rs. 53 per ton on sheet made in the United Kingdom from other sheet bar; Rs. 83 per ton on sheet not made in the United Kingdom. These revised duties will remain in force until action is taken by the Government of India following the statutory enquiry by the Tariff Board into the Iron and Steel Industry.

The Tariff Amendment Act mentioned above made necessary changes in Schedule II to the Indian Tariff Act, 1894, with effect from the 1st January 1933. The articles subject to the preferential rates of duty are included in two new parts, VIII and IX, to Schedule II. Part VIII contains all the articles on the preferential list which were dutiable under Part V at the general revenue duty of 25 per cent *ad valorem* and which are now liable to the standard rate of 30 per cent and the preferential rate of 20 per cent for British goods. Part IX contains all the articles on the preferential list which were dutiable at special rates, that is, at rates either higher than or lower than the general revenue rate. In these cases the necessary preference has been provided for either by entirely raising the previous rate or partly by raising and partly by lowering it.

Other Acts.

The next Act is the Cotton Textile Industry Protection (Amendment) Act, 1933, which extended the operation of the protective duties imposed under the Cotton Textile Industry (Protection) Act, 1930. These duties were to expire on the 31st March 1933, but the Amendment Act extended their operation up to the 31st October 1933, pending the consideration by the Government of India of the Tariff Board's report on the Indian cotton textile industry.

The Wheat Import Duty (Extending) Act, 1933, extended the operation of the temporary customs duty on wheat and wheat flour to the 31st March 1934.

The Salt Additional Import Duty (Extending) Act, 1933, extended for another year the operation of the 1931 Act, subject to certain modifications, as recommended by the Salt Industry Committee of the Legislative Assembly. It reduced the additional duty from 4½ annas to 2½ annas per *maund* and the Government's buying-in price from Rs. 63-11-0 to Rs. 54-12-0 per 100 *maunds*, and extended the operation of the original Act as thus modified to the 31st March 1934.

The Indian Finance Act, 1933, fixed (*i*) a minimum specific duty of 2 annas (excluding surcharge) on uppers of boots and shoes not entirely made of leather, and (*ii*) minimum specific duties of 4 annas per square yard and 2 annas 3 pies per square yard respectively, with no surcharge, on artificial silk piecegoods and silk or artificial silk mixtures. It also rounded off the *ad valorem* duty of 34⅜ per cent (including surcharge) on these mixtures to 35 per cent with no surcharge.

The last of the six Acts is the Indian Tariff (Amendment) Act, 1933, which amended sub-items (*i*) and (*ii*) in item No. 148A relating to galvanized iron or steel sheets of British manufacture and made it clear that the preferential rate is applicable only to sheets manufactured from Indian sheet bar imported into the United Kingdom after the ratification of the Ottawa Trade Agreement.

The protective duties imposed under the Heavy Chemical Industry (Protection) Act, 1931, lapsed on the 31st March 1933, and the articles concerned became liable to the ordinary duty with or without preference to the United Kingdom manufacture. Magnesium chloride, however, continues to be liable to the protective duty.

Besides the statutory changes mentioned above, the period of operation of the additional protection accorded to iron or steel galvanized sheets, fabricated, and pipes and tubes made therefrom has been extended to the 31st March 1934, under Section 3 (4) of the Indian Tariff Act, 1894. Similarly, under Section 3 (5) of the above Act, the import duty on non-British cotton piecegoods was increased to 50 per cent *ad valorem* with a minimum specific duty of 5¼ annas per lb. in the case of plain grey with effect from the 30th August 1932. With effect from the 7th June 1933, these

rates were further increased to 75 per cent *ad valorem* and 6¾ annas per lb. respectively.

Another matter of commercial interest to which attention may be drawn was the participation by India during the year under review in a number of fairs and exhibitions in the United Kingdom and on the Continent of Europe. In addition to the annual British Industries Fair, the more important of these were the International Sample Fair, Milan; Nation's Food Exhibition, London; Empire and Trade Exhibition, Southend-on-Sea; Empire Shops at Sheffield and Cardiff; 36th International Confectioners', Bakers' and Allied Traders' Exhibition; International Grocers' Exhibition; Rochester Empire Exhibition; and the 7th Ideal Home and Food Exhibition, Edinburgh. **Exhibitions and Fairs.**

CHAPTER VI.

Finance.

Scope of Chapter.

We propose to sub-divide the Chapter into two sections. The first will describe the general features of the financial situation during the year at home and abroad, and the second will give a more detailed account of the year's finances.

General features.

In reviewing the general conditions of the year it is not possible, unfortunately, to record any material improvement in the conditions which existed at the close of the preceding year.

International situation.

Prices continued to fall in almost all countries and for all commodities, and, although the fall was partially arrested in the group of countries whose currencies are based on sterling, there were no definite indications before the year closed of any substantial tendency towards recovery. The most encouraging feature which can be mentioned is the fact that it appears to have become widely recognized at last that the problem of raising the level of prices is essentially international in character and that no one nation can solve it by unilateral action either by way of altering the basis of its currency and credit or by endeavouring to direct the flow of trade in its own favour by manipulating its tariffs. There was no substantial move, however, towards a reduction in the barriers which obstruct the flow of trade. Political unrest prevailed in many countries throughout the year and the problem of unemployment remained as acute as ever. In the United States of America, the effects of the slump became more intense during the year culminating in a banking crisis of the first magnitude. Serious efforts were made during the year to arrive at a settlement of the questions of reparations and war debts. At a conference held in June at Lausanne the principal nations concerned came to an agreement on the question of reparations the immediate effect of which was a slight revival of confidence. Owing, however, to the abstention of the chief creditor country from the conference and the postponement of consideration of the question of war debts, the results hoped for did not materialise and the revival of optimism was short lived. The situation was further aggravated by the refusal of the United States Government to extend the moratorium for war debts when

the date for the half-yearly payment arrived in December 1932. Other factors which deepened the depression were the failure of the Disarmament Conference at Geneva to arrive at any agreement and the continued tension between Japan and China in the Far East which resulted in an outbreak of open hostilities in February 1933. In July-August an important conference was held at Ottawa at which the whole of the British Empire was represented. The work of the conference covered a wide field and included a consideration not only of the economic and fiscal arrangements required to promote trade within the Commonwealth by means of reciprocal tariff arrangements, but also of the various currency and monetary standards of the Empire and of the desirability and feasibility of taking steps to restore and stabilize the general price level and to stabilize exchange. As a result of the conference certain tariff re-adjustments affecting trade relations between India and other members of the Commonwealth, including the United Kingdom, were agreed to by the Legislative Assembly.

From the purely financial point of view, the outstanding features of the year were the continued prevalence of cheap money in the more important international markets, the very striking increases in banks' deposits, an all round appreciation in the value of fixed interest bearing securities, and the successful operations undertaken by certain countries for the conversion of their early maturing debts into longer term loans at a cheaper rate. The conversion by the British Government of practically the whole of the 5 per cent War Loan amounting to approximately £2,085 millions to a 3½ per cent basis was the largest operation of the kind ever attempted, and its immediate success had a profound effect on the credit of that Government and went a long way to rehabilitate the faith of the world in sterling. Other countries followed suit and undertook similar conversion operations with the result that rates for Government borrowings declined steeply in many centres. Although this result reflects stagnation in trade and absence of normal outlets for investment, it has been extremely beneficial in that it has enabled governments to re-organize their finances on a cheaper permanent basis. But the year ended on a distinctly pessimistic note. In spite of strenuous efforts to avert

a catastrophe and the grant of large loans through the agency of the Reconstruction Finance Corporation, suspensions of Banks in the United States continued. By March 4th the Banks in almost all the States were either closed or were operating under restrictions. Vigorous steps were taken immediately to deal with the situation which had arisen. A Bank holiday was proclaimed from the 6th to the 9th all over the country, dealings in foreign exchange were prohibited, hoarding of gold and other currency was made a punishable offence, and an embargo was laid on the export of gold. Wide powers were also given to the Secretary to the Treasury to deal with any situation which might arise. These measures produced an immediate effect and by the end of the year the worst phase of the internal banking crisis appeared to be over, but the uncertainties created in outside markets not only by the prohibition of gold exports from the United States of America but also by the possibility of the adoption of a policy of inflation still remained.

Indian conditions.

The position in India was on the whole more satisfactory. The monsoon was fair and crops were up to normal expectations, but, as in last year, India's exports suffered, in common with those of all primary producing countries, from the continued fall in prices. As has been mentioned in Chapter V, exports, as compared with the previous year, declined in value from Rs. 160.55 crores to Rs. 135.65 crores, and as there was a small increase in the value of imports from Rs. 125.72 crores to Rs. 132.27 crores, the balance of trade in merchandise fell from the already low figure of Rs. 34.83 crores for 1931-32 to Rs. 3.38 crores for 1932-33. This is the lowest favourable trade balance recorded since 1922-23. It is obvious that in these circumstances India would have been unable to meet her external commitments without drawing on her reserves if there had not been large exports of gold amounting to Rs. 66.84 crores.

The country was practically free from political excitement throughout the year, and with the continued decline in the intensity of the boycott movement interference with the normal course of trade except in so far as it arose from world conditions was absent. It is satisfactory also to be able to record continued and increasing activity in the sugar industry. The cotton mill industry however had to contend with abnormally heavy imports of Japanese goods owing to

a depreciation of the exchange and in August 1932 an Act was passed increasing the duty on cotton manufactures of non-British origin from 31¼ per cent to 50 per cent in order to make effective the measure of protection intended to be afforded by the Cotton Piece-goods Protection Act of 1930. At the close of the year further measures for the safeguarding of industries against abnormal foreign competition were under consideration of Government.

The improvement in the financial position of the Government of India which became apparent towards the end of last year continued throughout 1932-33. As before, this was mainly due to the continuance of exports of gold on a large scale which not only enabled Government to make large purchases of sterling over and above their immediate requirements and thus reinforce the position of the Home Treasury, but also brought increased revenue from certain import duties as it is clear that a proportion of the profits on gold sales must have been utilized for increased purchases of imported articles. A much more striking feature of the year, however, from the point of view of Government finance was the immense improvement of the credit of India both at home and abroad which enabled Government not only to borrow short funds for their immediate ways and means necessities at extremely low rates, but also enabled them to fund a substantial proportion of their short term commitments on a long term basis at very favourable rates.

Gold exports.

The net exports of gold during the year were valued at Rs. 65½ crores as against Rs. 58 crores in 1931-32. The figure is the highest on record. Since 1920-21 India has imported 49.7 million ounces of gold, whereas during the same period the amount of gold exported was 21.8 million ounces only, of which about 16½ million ounces have been exported in the last two years; that is to say, since 1920-21 the amount of gold exported by India is approximately 44 per cent of the imports during the same period. If, therefore, allowance is made for the enormous imports of gold prior to 1920-21 it will be seen that in spite of the high premium available since Great Britain went off the gold standard only a small fraction of India's total gold holding has so far been realized. There has been considerable controversy as to whether the gold exported since October 1931 has been mostly ' distress ' gold, that is to say, gold which had to be sold by necessitous holders to meet current expenses, or whether it has been

parted with as a business proposition to realize the profit from the prevailing premium. While it is probably true that a certain proportion of the gold exported in recent months has come out because holders had to realize their savings to meet current expenditure owing to the very low prices obtained for primary commodities, it is equally certain that a large proportion, possibly the larger proportion, has been sold as a purely business proposition to realize the premium. It is well known that bullion dealers all over the country have been very active in collecting gold for sale to the export market, and in some districts special purchasing agencies were opened by exporters. It is reasonable to infer that many holders who parted with their gold would not have done so but for the allurement of an immediate profit which was pressed on their notice persistently.

The price of silver.

Silver prices for the greater part of the year moved within comparatively narrow limits, the fluctuations following roughly the changes in the dollar sterling rate. In August and during the first week of September the price in Bombay rose by more than Rs. 2 mainly owing to the pronounced weakness of sterling and also in sympathy with a general improvement in commodity prices which occurred at that time. From the middle of September the price of the metal in Bombay steadily declined, partly owing to the reaction in world markets caused by the difficulties which arose over the question of payment of war debts, and partly due to a revival of rumours to the effect that the import duty would be taken off in the ensuing budget. The lowest price for the year was touched in January when 49|4 was quoted for ready country bar silver. The market underwent a spectacular recovery towards the end of the year as a result of the embargo placed on the export of gold from the United States of America. American speculators bought heavily and the local price jumped to 58|4. Talk of inflation and the much talked of possibility of measures being taken by the United States of America to rehabilitate silver and to extend its use as currency, and suggestions that a portion of the war debts might be accepted in the form of silver were largely responsible for the rapid advance in price.

The exchange rate and remittances to London.

The total amount of sterling purchases during the year amounted to £35,733,000 at an average rate of 1*s.* 6.156*d.* Exchange opened quiet in April and continued to be quiet during the month with a gradual downward tendency due to the rise in the dollar sterling

cross rate and a consequent drop in the price of gold. There was little demand for remittance but on the other hand export bills were scarce and with the falling off in gold exports the rate gradually sagged to 1*s.* 5$\frac{7}{8}$*d.* early in June. At the first three auctions in April all tenders received were rejected and as no tenders were received for the auctions of the 27th April and 4th May, Government announced the discontinuance of purchases until further notice. From the middle of June conditions began to improve partly because of an increase in gold exports due to a rise in the price of gold and also partly due to sales of sterling stocks in London for repatriation to India for investment in rupee securities. The prices of sterling stock had risen to a point where it paid the investor to sell out and re-invest in India and since the adverse political conditions which during the previous year had led to a substantial flight of capital from India no longer obtained, investors availed themselves freely of this opportunity to change their investments at a profit. The market was strong by the beginning of August and as little cover in the form of private remittance was available, a demand arose for Government to come into the market to purchase. An announcement was made on the 8th August calling for tenders for £500,000 on the 10th and the full amount was accepted at 1*s.* 6$\frac{3}{32}$ *d.* The market continued to be steady until the end of the month and Government were able to purchase £500,000 weekly by tender and £1,965,000 intermediates. From the 8th September the amount offered was raised to £1 million and during the course of the following week intermediates to the amount of £2,400,000 were purchased at 1*s.* 6$\frac{5}{32}$*d.* The Government buying rate remained unchanged from then up to the middle of March, but purchases at the auctions from the 25th January to the 15th March were on a small scale. The news received on the 6th March that the United States of America had temporarily prohibited the export of gold and dealings in foreign exchange led to an immediate and precipitate fall in the rupee sterling exchange from 1*s.* 6$\frac{3}{32}$*d.* to 1*s.* 5$\frac{7}{8}$*d.* The uncertainty and uneasiness created by the President's proclamation were reflected in all the markets of the world, and until the full implications of the step could be ascertained banks were unwilling to sell without cover and quotations were to all intents and purposes nominal. Confidence in the rupee sterling exchange returned quickly however and normal business was resumed after a few days.

Money conditions in India.

The year opened with the bank rate at 6 per cent and it remained at that level until the 28th April when it was changed to 5 per cent. A rapid return of funds enabled the Imperial Bank to repay in April the outstanding balance of the advance of Rs. 9½ crores taken from the Paper Currency Reserve in 1931-32. Owing to low commodity prices and slackness in trade there was practically no demand for money throughout the year and the bank rate was reduced to 4 per cent on the 7th July and to 3½ per cent on the 16th February. The Bank's cash balance at the close of the year was Rs. 26½ crores.

The Public Debt.

We may now turn to the position in regard to the Public debt. A satisfactory feature of the year was the reduction of India's unproductive debt during the year by Rs. 7 crores and the total debt by Rs. 2½ crores. This was mainly due to the revenue surplus and the heavy curtailment in the capital outlay on railways. The general scheme for the reduction of debt from revenue which came into operation in 1924-25 remained unchanged during the year. In accordance with that scheme the amount of revenue applied to the reduction of debt during the year was Rs. 6,84 lakhs and in the budget for 1933-34 provision for a further Rs. 6,89 lakhs has been made. Of the amount applied to the reduction of debt during the year, Rs. 1,78,39,000 were credited to the depreciation funds of the 5 per cent 1929-47, 1939-44 and 1945-55 loans. During the year Rs. 51¼ lakhs were spent in purchasing these loans for cancellation. The total balance of the funds at the end of 1932-33 including interest, etc., on investments amounted to Rs. 6,81⅜ lakhs of which Rs. 3,59¼ lakhs remained uninvested at the end of the year. The gradual appreciation in both rupee and sterling Government of India securities and the continuous decline in money rates during the year indicated the desirability of taking full advantage of the prevalent easy money conditions to reduce the burden of the large volume of floating debt and of the early maturing debt bearing onerous rates of interest, and with this object in view, the unprecedented step was taken of floating successively four rupee loans. The first loan took the form of a 5½ per cent issue, liable to income-tax. It was issued at Rs. 98 per cent and is repayable at par not later than the 1st October 1940 and not earlier than the 1st October 1938. It opened for subscription on the 6th June 1932 and closed on the 18th June 1932 and was for an unlimited amount. The total amount subscribed

was Rs. 19,14 lakhs of which Rs. 13,70 lakhs were by tender of cash, Rs. 3,63 lakhs by tender of 1932 Bonds, and Rs. 1,81 lakhs by tender of treasury bills. The next loan was a 5 per cent issue, liable to income-tax. This also was issued at Rs. 98 per cent and is repayable at par not later than the 1st October 1943 nor earlier than the 1st October 1940. It opened for subscription on the 17th August 1932 and was closed on the same day. The total nominal value of the loan applied for was Rs. 29,82 lakhs of which Rs. 9,45 lakhs was by tender of cash, Rs. 10,42 lakhs by tender of 5 per cent Bonds, 1933, and Rs. 9,95 lakhs by tender of 6 per cent Bonds, 1933-36. The third loan was announced on the 18th January 1933. This loan was a 4 per cent issue, liable to income-tax. It was also issued at Rs. 98 per cent and is repayable at par on the 1st August 1943. The lists remained open actually for less than 2 hours and the total nominal value of the loan applied for during this short period was Rs. 24,77 lakhs of which Rs. 9,80 lakhs was by tender of cash, and Rs. 14,97 lakhs by tender of treasury bills. The last loan of the year which was a re-issue of the 4 per cent Loan, 1960-70, was a purely conversion loan. It opened on the 1st February 1933 and closed on the 28th February. This loan is repayable at par not later than the 15th September 1970 and not earlier than the 15th September 1960, the interest being liable to income-tax. Holders of the 5 per cent War Loan, 1929-47, the 5 per cent Bonds, 1933, and the 6 per cent Bonds, 1933-36, were given the option of converting their holdings into this loan, on the following terms. For every Rs. 100 (nominal value) of any of the above loans tendered for conversion, the applicant received Rs. 100 (nominal value) of the 4 per cent Loan, 1960-70, and, in addition, a cash bonus of Rs. 7-8-0 in the case of the 5 per cent Loan, 1929-47, and of Rs. 8-8-0 in the case of the other two loans. The total amount converted was Rs. 33,85 lakhs, of which Rs. 15,50 lakhs were by tender of the 5 per cent War Loan, 1929-47, Rs. 7,12 lakhs by tender of the 5 per cent Bonds, 1933, and Rs. 11,23 lakhs by tender of the 6 per cent Bonds, 1933-36. Although money was very easy when the first flotation was announced on the 1st June 1932, market conditions were not very favourable and actually worsened during the period which elapsed between the first announcement and the opening of the lists. Political trouble and communal riots broke out at Bombay on the eve of the announcement of the loan and international factors such as the United States of America's

refusal to participate in the Lausanne Conference and fears regarding a possible crisis in Central Europe created renewed distrust and want of confidence all round with the result that both sterling and rupee securities weakened whilst the loan was still open. The exchanges also showed signs of weakness, a factor which necessarily precluded Government from discontinuing the issue of treasury bills during the loan period. Taking all these circumstances into consideration, the results of the loan operations were by no means unsatisfactory. Market conditions were extremely favourable for the three other flotations. The success of the conversion operation placed the finances of the Government of India on a very sound basis as it reduced the amount of early maturing debt outstanding to easily manageable proportions and also lowered the yield offered for medium or long-term borrowings from 5.8 per cent to 4.5. As regards sterling loans, an issue of 5 per cent stock, 1942-47, was made in April 1932 at 95 per cent for a total amount of £10,000,000. The stock is redeemable at par on the 15th June 1947, or at any time after the 15th June 1942, with 3 calendar months' previous notice. There were 4,954 applications for a total amount of £21,895,400 stock. Applications for amounts up to £200 were allotted in full. Larger applications received allotments of 44.54 per cent. The 6 per cent Sterling Bonds, 1932, the outstanding balance of which was £4,706,600, were repaid on the 15th June 1932 on maturity. £4.3 million 6 per cent Bonds, 1933-35, were also purchased and cancelled during the year.

Prices of Indian Securities.

When the year opened, business in the securities market was dull, 3½ per cent paper being quoted round 61½. Towards the end of the month, however, the instantaneous success of the 5 per cent sterling loan for £10 millions announced on the 25th, together with a reduction in the Imperial Bank of India rate from 6 per cent to 5 per cent on the 28th, had a stimulating effect. Prices improved gradually and the market was steady throughout May. The announcement of the 5½ per cent 1938-40 loan on the 1st June had little effect on the market, but later in the month the unexpectedly slow progress of subscriptions to the new loan, combined with a drop in Indian sterling loan prices, had a somewhat depressing influence. This proved to be only very temporary, and towards the end of the month the market became buoyant and Indian sterling stocks also showed a strong and rising tendency. India sterling loans continued to appreciate very rapidly

from this point and the flight of capital which was apparent in the two previous years was completely reversed. The effect on rupee securities also was remarkable. The most encouraging feature in the securities market, however, was the revival of interest in long term investment which had been almost completely absent during the two preceding years, and it was this which enabled the Government of India to fund a large portion of their short term liabilities into long term debt.

The Budget of 1933-34.

Having described the main features of the year, we propose now, in order to give a detailed exposition of the state of Indian finances, to quote from the budget speech of the Finance Member. In introducing the budget proposals for 1933-34, Sir George Schuster said :—

Summary of results for 1931-32 and 1932-33.

" The story which I have to tell this year of the public finances of India is a simple and—viewed merely as a matter of public finance—a satisfactory one. The emergency plan which we introduced in September 1931, was designed to produce budgetary equilibrium for the two years 1931-32 and 1932-33, and now as we approach the end of the second of these two years and take stock of the position we can confidently say that our plan has worked.

Let me briefly summarise the position. The results for the year 1931-32 turned out to be nearly two crores better than I anticipated in my budget speech last March, and the accounts for the year showed a deficit, after providing nearly Rs. 7 crores for Reduction of Debt, of Rs. 11¾ crores.

For the current year (1932-33) our latest revised estimates indicate that our budget forecast of a surplus of Rs. 2,15 lakhs will be almost exactly realized and that the surplus—after providing again nearly Rs. 7 crores for Reduction of Debt—will be Rs. 2,17 lakhs.

The results for the two years combined thus show a total budgetary deficit of Rs. 9,58 crores against which may be set the total provision made for Reduction of Debt of Rs. 13.73 crores. We may therefore say that in the two years from April 1st, 1931, to March 31st, 1933, which I think may be fairly described as the two most difficult years for public finance that the world in times of peace has ever known, we shall not only have paid our way but have provided a net sum of Rs. 4 crores, 15 lakhs for the Reduction of Debt. I think that this result is one which is a legitimate cause for satisfaction, and which amply justifies the great improvement in the credit

of the Government of India which the recent rise in our security prices has shown....

With a surplus of Rs. 2,17 lakhs anticipated as the final result for the current year, the next question is whether we can expect a repetition of such a surplus next year. In order to explain the answer which I have to give to that question it is necessary to analyse the factors which have contributed to the current year's result, and to review the general economic position. In anticipation of this examination I may remind the House of one important feature in the position, namely that our revenue during the past 18 months has been specially augmented by the process of abolishing the salt credit system, the effect of which has been to give us the equivalent of two years' duty on credit salt in the space of 18 months. As a result we have benefited during 1932-33 by a special non-recurring addition of about Rs. 1,50 lakhs to our revenue. That of course drops out next year...."

Sir George Schuster then surveyed the general economic situation at home and abroad and proceeded to explain its effects on India's tax revenue :—

Revenue position : 1932-33.

"I want now to show as briefly as possible how some of the broad phenomena which I have been describing appear when translated into revenue results.

As might have been expected from what I have said, revenue from salt, kerosine and cotton piecegoods has been very satisfactory for the current year. We estimate salt revenue at Rs. 10.38 crores as compared with a budget estimate of Rs. 9.43 crores. Kerosine import and excise duties are expected to produce Rs. 4.25 crores as compared with a budget estimate of Rs. 4.42 crores. Cotton piecegoods import duties are put at Rs. 6.40 crores as compared with a budget estimate of Rs. 3.79 crores. In the case of cotton piecegoods, however, we think it necessary to treat the imports for the current year as to some extent abnormal.... In close connection with cotton piecegoods I must mention artificial silk goods and mixtures. In spite of the great enhancement of the duty and in spite of a striking reduction in the value of Japanese goods, the total values of imports have increased. We now estimate receipts from artificial silk goods at Rs. 1,30 lakhs for the whole year and mixtures at about Rs. 20 lakhs, as compared with earlier estimates of about Rs. 70 lakhs and

Rs. 13 lakhs respectively. Other special heads under which revenue receipts have been most satisfactory are the new duties on raw cotton and machinery. Our estimate of revenue from the duty on raw cotton is now Rs. 62 lakhs against our original budget estimate of Rs. 32 lakhs. Similarly, in regard to duties on machinery we now anticipate a revenue of Rs. 1,15 lakhs against our budget estimate of Rs. 1 crore.

As against these satisfactory results I must comment on the main heads where we have fallen far short of our estimates. Sugar is the most important item. In this case we now only expect an import of about 435,000 tons producing duties, including land customs receipts, of Rs. 7.80 crores against the budget estimate of 550,000 tons and about Rs. 10 crores respectively. The development of sugar manufacture in India, though satisfactory in itself, is making a very serious hole in our revenue.... Silver, again, has failed to come up to our expectations, and it is clear now that we cannot rely on any appreciable imports of any precious metals as long as the present depression continues. Motor cars and cycles have shown heavily reduced figures and we now estimate receipts at Rs. 60 lakhs only against Rs. 80.63 lakhs budgetted and actuals of Rs. 95.01, Rs. 72.31 and Rs. 63.20 lakhs in three previous years,—despite the increases of the rate from 20 per cent in 1929-30, when the duty was Rs. 95 lakhs to 37½ per cent in the current year...."

Sir George Schuster then proceeded to analyse the Revenue and Expenditure estimates of 1932-33 and 1933-34 :—

Analysis of Revenue and Expenditure estimates.

"It must be clear from what I have said that to estimate revenue for next year—particularly customs revenue—is, in view of the completely uncertain and abnormal conditions, a task of quite unprecedented difficulty. Indeed I may say that accurate estimation is impossible. In these circumstances and for the reasons which I have explained, we have thought that the most reasonable course is to assume that the general position next year will be the same as for the current year, neither better nor worse, and in particular that India will be able to maintain the same purchasing power for commodities imported from abroad....

The assumption, however, that the value of imports will be maintained does not necessarily imply that the value of the import duties will also remain the same.

I have already explained the special position as regards sugar, showing how the present development of the Indian industry is affecting our revenue. On these considerations we think it necessary to allow for a drop of Rs. 1 crore in receipts from the sugar import duties which will not be offset by any increase under other heads.

In regard to cotton piecegoods also, for reasons which I have explained, we think it necessary to regard the revenue from import duties—at least on Japanese goods—as to some extent abnormal and not likely to be repeated. Here therefore we have allowed for a drop of Rs. 30 lakhs.

As against these reductions we have thought it safe to count on a small revenue (Rs. 25 lakhs) from silver imports....

Making allowance for these and other minor variations, our customs revenue estimates for next year are put at Rs. 51,25 lakhs showing a reduction of Rs. 1,04 lakhs from the revised estimates of the current year....

In our estimates for income-tax we are as in the case of customs making the assumption of a repetition of the current year's results. On this basis we should have receipts of Rs. 17,70 lakhs next year to which must be added Rs. 53 lakhs representing the tax on official salaries in regard to which the exemption hitherto enjoyed is, according to our proposals, to be removed concurrently with the reduction in the cut in pay which we proposed. The total estimate is thus Rs. 18,23 lakhs out of which it is reckoned that the 25 per cent surcharge will account for Rs. 3,50 lakhs, and the tax on incomes below Rs. 2,000 for Rs. 70 lakhs....

The results for the current year justify us in anticipating the continuance of salt consumption at the present level. We have, however, now exhausted the special temporary acceleration of receipts resulting from the extinction of the salt credit system which was one of the features of our emergency financial plan of September 1931. This produced a special addition to our receipts during the current year of as much as Rs. 1,50 lakhs. Allowing for the disappearance of these exceptional receipts, the net revenue from salt will be Rs. 7,58 lakhs....

It will be convenient if I deal with the service of Debt and the other Finance heads together.

In the first place, as regards interest payments, the reductions shown are satisfactory, namely Rs. 2,04 lakhs as compared with 1931-32 and Rs. 51 lakhs as compared with the revised estimate for 1932-33. I must however explain that the full result of the conversion operations recently undertaken is not yet revealed.... A second point which I have to make in explaining the effect of the conversion operations is that the Government of India is not mainly a borrower on its own account. The great bulk of the borrowings is undertaken for the Railways and through the Provincial Loans Fund for the provincial Governments.... Apart from this it must be noted that the conversion operations only affect what we call our Ordinary Debt.... There is, further, another special head under which an increase has had to be provided, which offsets some of our other savings under interest payments, namely interest on War Debt.... The net result of the factors affecting Interest payments, some of which I have just explained, is that interest charges show a net reduction of Rs. 2,04 lakhs as compared with the actuals for 1931-32 and Rs. 51 lakhs as compared with the revised estimates for 1932-33.

The other items which may be classified as ' Finance heads ' are the provision for Reduction and Avoidance of Debt and the net revenue from Currency and Mint. Under these heads there is no striking change as compared with the revised estimates. The provision for Reduction and Avoidance of Debt is put at Rs. 6,88 lakhs for next year as compared with Rs. 6,84 for the current year.... An important point to note is that it is a substantially heavier burden now than it was in the period of prosperity from 1923 to 1928—in fact, it is Rs. 2¼ crores more than the annual average for that period....

It will be seen from what I have said that as regards Finance heads there is no great change compared with the revised estimates for the current year. Net interest charges are down by Rs. 51 lakhs, Reduction and Avoidance of Debt is up by Rs. 4 lakhs, and the net revenue from Currency and Mint is down by Rs. 61 lakhs. Interest receipts show a small decrease of Rs. 1 lakh. There is therefore a net deterioration of Rs. 15 lakhs.

I now turn to the remaining important factor—receipts from Commercial departments. So far as the Railways are concerned I need say little. We take credit in our budget for full interest pay-

ments, although, as the Honourable Member for Railways has explained, these can only be met by trenching on the unspent balance of the allocation for depreciation.

As to Posts and Telegraphs, the position remains, I fear, unsatisfactory. The net loss on working account, which has to be carried in our budget for next year, is put at Rs. 57 lakhs as compared with about Rs. 48 lakhs in the revised estimate for the current year....

Civil Expenditure: 1932-33.

The budget estimate of Civil expenditure for the current year (1932-33), *i.e.*, excluding military expenditure and expenditure on Commercial departments and Debt services, was Rs. 20,65 lakhs. Our revised estimate now gives the figure as Rs. 20,89 lakhs. There is thus an apparent increase of Rs. 24 lakhs. But a closer examination shows that this increase does not denote any increase in real expenditure, and, indeed, that the economy in recurrent expenditure has been greater than that which we promised....

Civil Expenditure: 1933-34.

Turning to the estimates of expenditure under these civil heads for next year, I am glad to be able to report a still further improvement. As compared with the current year with its budget estimate of Rs. 20,65 lakhs and the revised estimate of Rs. 20,89 lakhs, the estimates for 1933-34 are Rs. 20,53 lakhs, that is to say, a reduction of Rs. 36 lakhs on the current year in spite of the following facts; first, that we have allowed for reducing the cut in pay to 5 per cent thereby incurring extra charges of Rs. 28 lakhs on these particular civil heads; secondly, that we have to meet the normal increments in time scale pay which still involve an annual addition of something like Rs. 15 lakhs; and thirdly, that we have to meet new obligatory expenditure amounting to about Rs. 17 lakhs.... If all these items are taken into account it will be seen that the total of the net reductions otherwise effected under the normal heads of expenditure amounts to no less than Rs. 96 lakhs....

Military Expenditure.

When I turn to the provision for the Military or Defence Budget the results are equally, or even more, satisfactory. For the current year (1932-33), allowing for the full effects of the 10 per cent cut in pay, the net budgetary allotment was Rs. 46.74 crores. For the next year the net expenditure provided for in the estimates, after allowing for an extra charge of Rs. 52½ lakhs due to the reduction in the cut in pay to 5 per cent, is Rs. 46.20 crores. That is to say, al-

though the pay bill is increased by Rs. 52½ lakhs the net expenditure is to be reduced by Rs. 54 lakhs. The further economies made therefore in other directions amount to Rs. 1,06½ lakhs.

It is necessary of course to point out that the provision now made is cut very fine, and that to some extent the reduction in expenditure progressively effected over the last five years is due to the fall in prices of commodities which the Army has to buy. The difference between commodity prices as taken for the present estimates, and those prevailing in 1928-29, represent a saving on the whole budget of about Rs. 1 crore. If prices were to rise again, as in the general interests of the country one must hope they will, obviously under this head charges would increase.

I must also point out that this budgetary provision includes no margin for unforeseen expenditure, or for the continuance of the re-equipment programme which was laid down in 1928 and which is still being financed (to the limited extent which is possible) from reserves accumulated under the stabilized military budget system which was then inaugurated.

Nevertheless, while these facts must be borne in mind, I cannot but feel that the reduction in the net military budget from Rs. 55.10 crores (including the Territorial Force grant) in 1929-30 to Rs. 46.20 crores in 1933-34 is a very satisfactory achievement....

Expenditure position. Summary.

The net result is that as regards the two main fields of administrative expenditure—the Civil heads, excluding expenditure on Commercial departments and Debt services, and the Defence budget—the budgetary provision for next year comes to a total of Rs. 66.73 crores as compared with a total of Rs. 67.63 crores for the current year. The total provision has thus decreased by Rs. 90 lakhs in spite of allowing for extra expenditure of about Rs. 80½ lakhs under both heads due to the reduction of the cut in pay to 5 per cent and in spite of the normal and unavoidable growth of expenditure due to increases in the pension bill and to the increments accruing under the time-scale system on salaries, which involves an increased provision next year of about Rs. 20 lakhs.

I would before leaving this subject like to remind the House that the expenditure in these two fields which stands for 1933-34 at Rs. 66.73 crores amounted in 1929-30 to no less than Rs. 78.82 crores.

The comparison between the two years 1932-33 and 1933-34 may be thus summarised.

	1933-34.	Rs. crores. 1932-33.	
	Budget.	Budget.	Revised.
Revenue ..	124.52	129.96	127.13
Expenditure ..	124.10	127.81	124.96
Balance ..	.42	2.15	2.17

Budget proposals. Cut in pay.

In the first place I must say something about the proposal as regards pay which as I have just explained has been allowed for in our estimates....

The precise financial effect of the present proposals has already been indicated as regards particular departments in my earlier remarks, but I think it well to summarise the position.

For the Central Government civil services, including the Posts and Telegraphs Department, but excluding the Railways, a restoration of the full cut in pay for twelve months would cost about Rs. 1,22 lakhs.

For the Army, taking the officers affected by our cut, it would cost Rs. 1,14 lakhs.

As under the original plan the 10 per cent cut was to apply to all pay earned up to March 31st, 1933, and as salaries are always paid on the first day of the month following that in which they are earned so that March pay is debited to the accounts only on April 1st, there will in any case be one month of the full cut included in the budgetary expenditure of the financial year 1933-34. Therefore any reduction in the cut for next year only affects eleven months' pay borne on the 1933-34 budget.

	Rs. lakhs.
To reduce the cut in pay to one-half for eleven months means on the Civil side	55½
and on the Army side	52½
The total cost therefore is	108

	Rs. lakhs.
As against this the Central budget will recover as a result of the withdrawal of the exemption of income-tax surcharges and the tax on incomes below Rs. 2,000 from Government officials—not only officials paid against the Central budget, but officials of the Railways and officials serving under the provincial Governments—a net increase in income-tax receipts of ..	53
The net cost of the proposal to the Central Government is thus	55

The considerations on which this proposal has been put forward by the Government of India are, first, that it represents the maximum concession which the financial situation justifies, and secondly, that there are very strong reasons for going as far as the maximum which is justifiable.... I can explain Government's position in this matter very simply as follows :—

In the first place I must recall what I said when introducing the original proposals in September 1931. We hoped then that the emergency with which we were called upon to deal was a temporary one, or at least that the degree of intensity which made the imposition of these extreme measures necessary would have passed by March 31st, 1933. The cut in pay was thus definitely intended to be merely a temporary measure justified only by an extreme and, as we hoped, temporary emergency. It was essential to make this purpose clear, and I therefore stated as one of the main conditions that the cut

> " should be of a temporary nature not extended beyond the need of the present exceptional emergency. Its justification is in the need for a common sacrifice in a national emergency."

Further, in summing up the position, I again said :

> " It must be clearly explained that there is no intention that they should remain operative beyond March 31st, 1933. They will not be continued beyond that date without further examination of economic conditions...."

We have acted exactly in accordance with the intention thus indicated. We have very carefully reviewed the economic conditions, and we have arrived at the definite conclusion that while we can take the risk of making some reduction, nevertheless an emergency continues sufficient to make it impossible to restore the whole of the cut.

That, then, is the first point which I must make, namely that we regarded, and still regard, the cut as a temporary measure.

The second point is this, that we regarded a cut in the fixed pay of Government officers as an extreme measure only to be taken in the very last resort after the efforts of all other feasible measures for dealing with the situation had been exhausted. Obviously a measure which is thus only justified in the last resort ought to be the first to go when any relaxation is possible. On this point also I made our purpose perfectly clear in September 1931. I said, after expressing the hope that it would be possible in 1933 to relax the emergency measures,

> "It is perhaps forecasting events too much to say in what order these reductions should be made. But there are certain principles which we consider must be observed. Relief must come first in restoring the emergency cuts in pay, and secondly, in taking off the surcharge on the income-tax now to be imposed."

Therefore on this point also we are acting in accordance with our declared purpose.

Now in dealing with this matter I have to make our position clear both to those who may think we have gone too far in the present proposal, and also to those who may think we have not gone far enough.

I will deal with the latter first. To them I would say that we have acted exactly in accordance with our declared purpose and that we have gone to the maximum extent that we considered justifiable.... To those who may think that we have gone too far, or that we ought not to have taken this step in priority to relaxation of measures of taxation, I wish particularly to emphasize that this must not be regarded as optional expenditure to be weighed in the balance against other possible demands on the public funds. Government is

not really meeting its full obligations as long as it is not paying the fixed rates of pay of its officials—rates, moreover, which in certain cases are guaranteed by the Government of India Act.... I may add one final point for consideration by critics who may think this proposal unduly favourable to the Services, namely the significance of our having in our proposals coupled a reduction of the cut with the removal of the income-tax exemptions....

Having explained the considerations which guided us in making our proposals about the cut in pay, it will be fairly obvious to Honourable Members what our general policy in other matters must be. We have treated the restoration of the cut as our first objective, and the tentative step of partial restoration which we have proposed represents the limit to which we think it safe in present circumstances to go. Otherwise the whole carefully balanced framework of the financial plan which we introduced in September 1931 must in our view remain undisturbed. The position is sound, the plan has worked and proved equal to the emergency ; budgetary equilibrium has been restored. But the future is still dark with uncertainty.... We therefore think that the structure must, at least until things are clearer, remain unaltered and I have accordingly no remissions of taxation to propose....''

The Finance Member then proceeded to explain the other budget proposals which consisted mainly of certain changes in import and stamp duties. He next outlined the Ways and Means position for the years 1932-33 and 1933-34 :—

Ways and Means.

" The outstanding features of the year have been the sensational improvement in our credit both in England and locally, which enabled us to fund a much larger amount of our loan commitments than appeared possible when I made my budget speech last year, and the strengthening in our currency reserves which has been possible as a result of the improvement both in our credit and in sterling exchange.

I will deal first with the latter. In my budget speech for 1932-33 I showed that one of the first sequels to the currency policy adopted in September 1931, was a large demand for currency in India. This currency had to be supplied, and though we

were able to effect large purchases of sterling we decided that in the first instance the additional currency should be provided by the creation of *ad hoc* treasury bills, and that the sterling should be used for other purposes, such as the liquidation of our immediate loan liabilities in London. In this way we effected a net expansion of Rs. 35 crores against treasury bills. At the same time, I indicated that if in the current year we obtained more sterling than was necessary for supplying the requirements of our Home Treasury and the repayment of sterling loans falling due, the surplus would be used to strengthen our sterling currency reserves. This policy has been carried out and sterling securities have been substituted on a large scale for Treasury bills, the net reduction of the latter so affected during the year amounting to Rs. 14,39 lakhs....

Loans.

In my last budget speech I anticipated that it would be possible to reduce the amount of treasury bills held by the public by about Rs. 7½ crores from the current resources, and that we should not have to raise any loans during the year except to meet our maturing liabilities. I indicated, however, that if conditions were favourable we should take the opportunity by loan issues to strengthen our position and in particular to fund as much as possible of our floating debt. The continuous rapid improvement in our credit enabled us to float no less than one sterling and four rupee loans at rates which improved from over 5¾ per cent to something below 4¼ per cent. The results of the latest conversion loan operation are not yet fully known, and when the estimates had to be completed early in February we could only work on guesses as to how much would be converted. For the purpose of the printed estimates we have assumed that Rs. 22 crores would be converted, and I have had to work out all my figures on this cautious assumption, though this amount had actually already been reached by February 21st.... When the discharge of *ad hoc* treasury bills, to which I have already referred, and the repayment of Ways and Means advances are included, this means that during the current year we shall have been able to fund immediate liabilities to the huge amount of Rs. 1.21 crores, as compared with a budget estimate of Rs. 34 crores. The bulk of this has been converted into regular loans for which the obligatory maturities

range from 8 years in the case of the first loan issued last year to 37 years in the case of our latest conversion scheme....

Capital Expenditure. Railways.

The Railway capital outlay in the current year is now estimated to be Rs. 81 lakhs as compared with Rs. 4,15 lakhs estimate in the budget—this reduction meaning an improvement of Rs. 3,34 lakhs in our Ways and Means position. As against this, the results of normal operations have made somewhat heavier demands on our Ways and Means position than anticipated. The gross receipts continued to be disappointing, though the fall was largely offset by increased savings in working expenses.

The net result is that a loan of Rs. 9,34 lakhs had to be taken from the depreciation fund as compared with the estimate of Rs. 7,59 in the budget. In this connection, however, I must point out that the accretion to the depreciation fund during the year was Rs. 8,15 lakhs so that the effect of this loan is to reduce the fund by only Rs. 1,19 lakhs, from Rs. 14,86 to Rs. 13,67.

Provincial drawings.

The provincial drawings have been much less than was anticipated when framing the budget, amounting to Rs. 5,64 lakhs as compared with Rs. 10,62, this being the effect of the policy of the drastic restriction of advances from the provincial loans fund to capital works already in hand, and the curtailment of these as far as possible. Unfortunately, though the position of some Provinces was better than anticipated, others, particularly Bengal, have had again to face heavy deficits.

Revenue surplus.

It is estimated that the revenue surplus will be Rs. 2,17 lakhs as compared with the 2,15 lakhs originally budgetted for.

Capital Expenditure: 1933-34.

I shall have something to say in my concluding remarks as regards our general policy of Capital expenditure and the possibility of expansion in the future. But whatever change in the direction of a more expansive programme we may hereafter feel justified in considering, it is not likely to have appreciable effects as regards expenditure in the coming year. For the purpose of the estimates we are including provision for Capital expenditure of Rs. 3,30 lakhs on the Railways and Rs. 4,24 lakhs for loans to the provincial Governments.

Borrowing programme: 1933-34.

With this reduced capital programme I estimate that it will be possible to effect a further reduction of Rs. 8 crores in our outstanding treasury bills and still have approximately Rs. 17

crores available to meet our maturing loan liabilities apart from what we may obtain from fresh borrowing. This is clearly a very strong position. In making this estimate I have allowed for the possibility of drawing to the extent of about Rs. 11 crores on our sterling balance with the Secretary of State. Owing to the very large figure at which this balance now stands, such a reduction would be quite legitimate. Apart from this I have allowed only for receipts to the amount of Rs. 8,40 lakhs from savings bank and cash certificate receipts. This is of course very substantially less than the estimated figure of Rs. 14,35 lakhs in the current year. I have allowed for this decrease because of the reduction in the rate of interest to 4½ per cent, but this form of investment has now so thoroughly popularised itself throughout India that it is not at all improbable that our budget estimate will be materially exceeded.

Against these resources of Rs. 17 crores our maturing loan liabilities are of very modest dimensions. We have the option of repaying the £7 millions 6 per cent sterling 1933-35 bonds, and we shall have to deal with any portion of the rupee loans of 1929-47, 1933 and 1933-36 which is not converted. On the assumption that Rs. 30 crores of the latter are converted, we shall only require to raise a loan of Rs. 4 crores in India, and on the assumption that we repay the £7 millions sterling loan, we should require to raise only £6 millions equivalent to Rs. 8 crores in London. These figures, however, cannot be regarded as more than tokens. If conditions are favourable in London we might issue a larger loan and use the proceeds for strengthening our sterling currency reserves, or to repay £10 millions 6 per cent 1933-34 Bonds which we have the option of repaying on the 15th December. If the conversions on our present scheme are larger than Rs. 30 crores, the loan liabilities in India will be so much less, and we may proceed further with the funding of treasury bills.

One important point to note is that according to these estimates, and without any further loans, the treasury bills outstanding with the public will, on our present estimates, be reduced to the comfortable figure of Rs. 28 crores by March 31, 1933, a very satisfactory reduction from the 84¼ crores outstanding at the end of August 1931.

Exchange was very steady throughout the year, and large purchases of sterling were made from the middle of August. The estimated purchases for the year are approximately £39 millions. In addition, £715,000 was taken over from the Calcutta Port Trust, being the balance of a sterling loan floated by them. Our requirements for the year were £24 millions, so that the balance of approximately £15½ millions was available for strengthening our currency reserves, which I indicated in my last budget speech as the most appropriate use to which they could be put. I estimate that our closing balance in London this year will be £13,400,000, as compared with £15,900,000 last year. This is still a large figure, but I consider it advisable to adhere to it, as an alternative source from which we can meet our sterling loan maturities should this prove preferable to sterling borrowing. On the assumption that we float a sterling loan of 6 millions, this means that the sterling which we have to purchase in 1933-34 will be £21 millions, and if further remittances are obtained, it will probably prove best to devote them as in this year, to the further strengthening of our sterling reserves...."

Home charges.

In conclusion, the Finance Member summed up the achievements of the year in the following words :—

"In the field of finance the outstanding features of the year under review are, first, the re-establishment of budgetary equilibrium, secondly, the great improvement in Government credit which has completely transformed the market for Government securities, and thirdly, the creation of cheap money conditions."

Before concluding the Chapter we propose to give a brief review of the Railway budgetary position as disclosed by the Member for Commerce and Railways. Sir Joseph Bhore said :—

The Railway Budget.

"..... Last year's results did not differ materially from the revised estimate framed this time last year, but whatever difference there was was fortunately on the right side. The loss in the working of commercial lines turned out to be Rs. 7¼ crores, or a quarter of a crore less than anticipated, and that on strategic lines just under Rs. 2 crores. The total loss of Rs. 9¼ crores was met to the extent of just under Rs. 5 crores by the withdrawal of the uninvested balance of our reserve fund and the remainder,

Financial results of 1931-32.

Rs. 4¼ crores, was taken as a temporary loan from the Depreciation Fund.

Revised estimate for 1932-33.

In dealing with the estimates for 1932-33 and 1933-34, I propose to follow the recommendations of the Public Accounts Committee and deal with commercial and strategic lines together. The results of the latter are more or less constant, being a loss of very near Rs. 2 crores a year, and do not therefore affect comparisons to any considerable extent. Though the budget for 1932-33 was not framed on any optimistic basis and anticipated a total deficit of Rs. 7½ crores, of which Rs. 5½ crores was on commercial lines, our present anticipations are that the results will be Rs. 1¾ crores worse. The deterioration is entirely due to a further fall in earnings. The assumption that the volume of traffic obtained last year would not diminish has unhappily been falsified....

Our working expenses, on the other hand, are not expected to vary greatly from our budget estimate.... Our interest charges, moreover, are less by about three quarters of a crore owing to the fall in the rates of interest, and our total loss on all lines, including Rs. 2 crores on account of strategic lines, is now expected to be Rs. 9⅛ crores, a figure only slightly above the loss of last year. This sum we have to withdraw from the Depreciation Fund. The balance at the credit of that Fund, which was nearly Rs. 15 crores at the beginning of the year, and which will be increased by about Rs. 8 crores owing to the net accretion due to the surplus of our payments into the Fund over withdrawals from it to meet current replacements and renewals, will in consequence be reduced to Rs. 13⅜ crores.

Estimates for 1933-34.

For the year 1933-34 we estimate that our total traffic receipts will be Rs. 88¼ crores and our total working expenses, including depreciation, just over Rs. 63 crores. Net traffic receipts will thus amount to nearly Rs. 25¼ crores. Our other receipts are diminishing as a result of the gradual reduction of our balances in the Depreciation Fund and will be practically counterbalanced by our miscellaneous charges. Taking all these into account we calculate that our net revenue will be insufficient to meet our interest charges by about Rs. 7¾ crores. This deficit (of which Rs. 5¾ crores is in respect of commercial lines) has again to be

found by a temporary loan from the Depreciation Fund, which will stand at the end of 1933-34 at Rs. 13⅝ crores.

In the hope that we have plumbed the lowest depths of the present period of economic depression and we may anticipate a slight recovery, we are placing our estimate of traffic earnings about Rs. 1¾ crores or barely 2 per cent above the current year's figures....

We estimate our working expenses next year at Rs. 25 lakhs higher than in the current year. The reduction by a half of the emergency cut in pay, after allowing for the fact that we shall no longer have to pay to the Income-tax Department the compensation we paid this year in respect of the exemption of railway staff from payment of the additional taxation imposed in November 1931, is responsible for a difference of Rs. 67 lakhs. Our estimates allow, however, for a reduction of other expenditure amounting to Rs. 42 lakhs, of which more than half is in our fuel bill....

....Considering the conditions under which our railways are now operating, their financial position, as disclosed by these figures, is one of considerable strength, and undeniable soundness. While we remember that during the two years 1930-31 and 1931-32 the deficits of Indian Railways have amounted to over Rs. 14 crores and that the estimated deficits of the next two years bring up the total to over Rs. 31 crores, let us not forget at the same time that during the first six years of this decade they earned a total surplus of over Rs. 52 crores and that the net result of these ten years after the separation of railway finances from general finances will thus be a total surplus of Rs. 21 crores. Like other railways all the world over, Indian Railways are for the moment passing through a period of almost unprecedented difficulty due largely to world causes....

Capital Expenditure.

I turn next to a few matters of interest which I think are of sufficient importance to merit specific mention.

First, let me advert to the subject of our new Capital expenditure during the coming year. Our capital programme for 1933-34 is a very attenuated one. Apart from the completion of our existing commitments, it provides only for bare essentials. No new lines are to be undertaken, the amount of Rs. 32 lakhs provided for

new construction being only for the purpose of completing lines already begun. The total amount we expect to require for all expenditure on works not charged to revenue is Rs. 9¼ crores in cash after allowing for a reduction of about Rs. 1¼ crores in stores balances. Apart from the strengthening of a few bridges which we have had to undertake the only important expenditure of any magnitude is on the purchase of a number of wagons in replacement of those which have passed their normal lives and are proving uneconomic to maintain.... It is undoubtedly true that the fall in the rate of interest has made certain projects which we had to lay aside as unremunerative in recent years more attractive. At the same time, it must not be forgotten that the question of the remunerativeness of new constructions will now have to be examined afresh with reference to the rival claims and possibilities of road transport much more carefully than in the past....

Depreciation Fund.

There have not been wanting critics of our Depreciation Fund procedure who have suggested that one of the ways in which we could secure relief for the railway budget at this juncture is by reducing our contributions to the Depreciation Fund and that our present contributions are not only unnecessarily high but are unduly embarrassing in our present financial circumstances. These criticisms cannot be lightly brushed aside. In the ten years since the inception of the fund, *i.e.*, during the decade 1924-25 to 1933-34, the amounts paid into the fund aggregate Rs. 1,22 crores, while the amounts required to be withdrawn from the fund under its rules as representing the original cost of unit assets renewed or replaced total Rs. 87 crores. Had circumstances not compelled us to take temporary loans from the fund, the balance at the end of 1933-34 would amount to about Rs. 35 crores.... Taking all factors into consideration the size of the fund gives cause for serious reflection.... On the other hand, it is possible to argue that the Depreciation Fund is really a Reserve Fund under another name, that, whatever may be the amount required theoretically to be put by, such considerations can apply only to normal times, and that it is doubtful whether a commercial concern in similar circumstances would provide as a matter of course for the full calculated depreciation in times of abnormal financial strain like the present.... Apart altogether from financial considerations, it has been

pointed out that the present procedure in connection with the Depreciation Fund is far too complicated and can, with advantage, be replaced by a simpler method.... All these questions deserve careful and detailed examination, and it is our intention to have the whole of the arrangements connected with the Depreciation Fund investigated thoroughly during the coming year....

Pay of Staff.

We have applied the decision arrived at in regard to cuts in the pay of the Administrative Services to the personnel of the Railways. During the coming year, therefore, the Railway staff will be subjected to half the cut imposed on them during the current year, but this will be accompanied by the withdrawal of income and super-tax privileges. The financial result will be a reduction in the savings in the coming year from about Rs. 1,76 lakhs net, after allowing for payments of compensation to the Income-tax Department, to Rs. 1,03 lakhs...."

CHAPTER VII.

Health and Education.

Scope of Chapter.

We propose in this Chapter to deal with such aspects of Public health and education as are from their nature matters of All-India concern or are directly controlled by the Government of India. These subjects are primarily the concern of provincial Governments, but the Central Government still exercises certain residuary functions in connection with them. As regards public health, these functions consist generally in dealing with infectious diseases by preventing their introduction from outside by land or sea, their spread from Province to Province within the country, or their dissemination from India to other parts of the world. In education, the Government of India's main responsibilities relate to areas which are centrally administered and to Chiefs' Colleges, the University of Delhi, and the denominational universities of Benares and Aligarh*.

Public Health.

Retrenchment.

Before dealing with other matters reference must be made to the effects of the retrenchment carried out in 1931-32 on the Central Health Organization. The post of the Assistant Director General (Sanitary) was abolished in that year and the clerical staff was considerably reduced. These measures led to a curtailment of the touring done by the Public Health Commissioner and to a limitation of his activities in other desirable directions. The post of the Director, Public Health, Central Provinces, was held in abeyance from July 1932 and the charge of the Department was entrusted to the Inspector General of Civil Hospitals of that Province.

Epidemic diseases.

Cholera.

Turning now to the position in regard to epidemic diseases, the improvement in the cholera situation in 1932 was more marked than in the previous year, and the number of cases and deaths reported declined from 250,309 and 134,447 respectively in 1931 to 70,346 and 37,097 in 1932. Even in Bengal, which suffered most in 1931, the morbidity ratio, which had been 109 per 100,000 inhabitants in

*It must be understood that the statements made here on medical matters are provisional. Authoritative pronouncements on these subjects are contained only in the annual report of the Public Health Commissioner with the Government of India (the latest of which, at the time of writing, relates to the year 1931), and associated publications.

that year, fell to a figure as low as 69. In the first quarter of the year, out of a total of 25,720 recorded cases, the lowest figure on record since 1924, Bengal alone contributed 62 per cent. In the second quarter, the incidence was highest in Assam and Bihar and Orissa. In the third quarter, when the incidence in British India as a whole was less by 83 per cent than in 1931, the three Provinces of Bengal, Bihar and Orissa and Bombay accounted for 80 per cent of the total number of cases, and in the fourth quarter the same three Provinces again recorded the highest incidence.

Small-pox.

The improvement in the small-pox situation reported in the previous year was not maintained and a total of 1,13,969 cases was registered as compared with 88,000 in 1931. Nearly 64 per cent of these occurred in the first half of the year, and the infection was particularly severe in Bihar and Orissa, Bengal and Burma. In the latter half of the year, the incidence was highest in the Punjab, North-West Frontier Province and Madras.

Plague.

The incidence of plague further rose from 44,783 cases and 28,423 deaths in 1931 to 67,320 and 38,530 respectively during the year under review. The Deccan Plateau and the Central Provinces suffered most. Bombay alone reported no less than 20,853 cases, a figure nearly one-third of the total number of registered cases in 1932 and four times higher than that in the previous year. In Northern India the incidence was probably the lowest on record since 1923.

Kala-Azar.

In regard to Kala-Azar, the Commission which had been at work in Assam since March 1924 was closed down and the work was transferred to the School of Tropical Medicine, Calcutta, where in 1932 successful transmission of Kala-Azar to two chinese hamsters by the bites of *P. argentipes* was accomplished.

Venereal diseases.

As statistics for venereal diseases for the general population are not maintained in India, the figures of attendance at hospitals and dispensaries have to be relied on in framing estimates regarding the prevalence of these diseases. The estimates must therefore be accepted with caution. In 1932, of every 10,000 cases attending these institutions in British India nearly 90 suffered from venereal diseases. The Provinces recording the highest rates were Bombay with 190 per 10,000 cases, Burma with 180, Madras with 140 and

Delhi with 130, whilst the Punjab, Coorg, and Assam reported the lowest incidence. The rates for the other Provinces were as follows : Central Provinces 90, Bihar and Orissa 90, Bengal 80, United Provinces 70, Baluchistan 40 and North-West Frontier Province 40.

Leprosy.

The report of the Indian Council of the British Empire Leprosy Relief Association for the year 1932 shows that considerable progress has been made in the campaign against leprosy. In India, as elsewhere, leprosy is a difficult problem to deal with. It is a mass problem, the disease being spread over every sphere of life and all strata of society. The ignorance of both the educated and the uneducated in the early symptoms of the disease; the lack of facilities for proper treatment and the fear of social ostracism which prompts the leper to hide his disease until it can no longer be hidden; the fact that the cause of the disease is bound up in widespread superstition; and the difficulty of examining *parda-nashin* women; these factors present difficulties in the way of both investigation and treatment. The enquiries and researches which the Association has set on foot are, however, steadily re-inforcing the methods for dealing with these many-sided difficulties. The exact number of leprous patients still remains an unknown quantity although surveys and the operations of the propaganda and treatment centres are enabling a more accurate computation to be made, and the encouraging results of the treatment given at the many leprosy clinics which have been established are inducing an ever-increasing number of lepers to seek the latest methods of diagnosis and treatment. The work which has been accomplished has served to bring into greater relief the magnitude of the task which the Association has set about to perform with a modest endowment fund which yields an annual income of about Rs. 1,11,000 only. The work done during the year under review was of a varied nature. In the field of research, systematic observations were made of the efficiency of intradermal method of injecting leprosy medicaments and a careful study was made of biopsy material taken from certain early leprous lesions. The study of pathological and bacteriological findings in rat leprosy at various stages was also in progress during the year. These experiments were carried out at the Leprosy Research Laboratory of the School of Tropical Medicine and Hygiene and cost the Association Rs. 20,870-14-0. In addition

to this 59 doctors from 13 Provinces and States received special training in the latest method of diagnosis and treatment of leprosy at the school. The five years' survey which cost the Association Rs. 86,618 was discontinued at the end of 1931 after certain important results had been obtained and it was decided to take up more specialised work to meet the conclusions arrived at. Considerable attention was paid to propaganda during the year under review. The propaganda officer visited Assam, Bihar and Orissa, the United Provinces, and Burma, and gave expert advice with regard to treatment and anti-leprosy measures generally. This item of work cost the Association Rs. 13,526-13-9.

International cooperation in public health and medical matters.

The Government of India continue to maintain their interest in international cooperation in the sphere of public health and medicine. They were represented at the sessions of the *Office International d'Hygiene Publique* held in Paris in April-May and October 1932. They were also represented at the 19th session of the Health Committee of the League of Nations Health Organization held in Geneva in October 1932 and at the League of Nations Regional Health Conference held at Cape Town (South Africa) in November 1932. The Assistant Director of the Malaria Survey of India, Kasauli, while on leave in England was invited, at the instance of the Public Health Commissioner with the Government of India, to attend a meeting of the Malaria Commission of the League of Nations held in Geneva in March 1933; and through the courtesy of this Commission was enabled at League expense to visit certain anti-malarial schemes in Europe.

Medical Research.

We may now proceed to review the field of medical research. Work was continued during the period under review under the auspices of the Indian Research Fund Association. The results of the various investigations carried out were published, as usual, in the Scientific Journals issued by the Association.

As a result of the Government grant-in-aid to the Association for 1932-33 being reduced from Rs. 7.50 lakhs to Rs. 1.50 lakhs owing to financial stringency, the activities of the Association had to be curtailed considerably. By financing enquiries out of accumulated funds the Association was able to arrange for 36 enquiries against 57 in 1931-32. These were financed at an estimated cost of

Rs. 6,81,756 and included investigations dealing with such problems as cholera, anti-rabic vaccines, kala-azar, tuberculosis, leprosy, helminthological and nutritional diseases, the use of bacteriophages in dysentery and cholera, maternal mortality in child-birth, anaemias of pregnancy, etc. Among other researches which were carried out were investigations on the value of certain indigenous drugs, on the causes and effects of drug addiction, studies on the determination of haemoglobin in health and in anaemias, on skin diseases, on diabetes, on the blood changes in certain tropical diseases, on the histology of the spleen and bone marrow, on filariasis, on osteomalacia, and on the secretion and composition of gastric juice in Indians. The centres of investigations were as reported in last year's issue of this publication.

The Association continued its grants to meet the cost of the professors at the School of Tropical Medicine, Calcutta, and the salary of the Director of Leprosy inquiries (Dr. Muir). The grant of Rs. 15,000 to the Assam Medical Research Society to help in the investigation of some of the malaria problems of that Province was renewed. The contributions to the Imperial Institute of Entomology and to the Bureau of Hygiene and Tropical Diseases, London, were, however, reduced to £100 and £150 respectively for financial reasons.

The tenth conference of Medical Research Workers was held in Calcutta from 5th to 10th December 1932. Its objects have been stated in the previous issues of this publication. This was followed by a meeting of the Scientific Advisory Board who examined the programme of medical research for 1933-34 as recommended by the conference and made certain alterations. This programme was approved by the Governing Body in their meeting held on the 18th March 1933.

The All-India Institute of Hygiene and Public Health, Calcutta, was opened on the 30th December 1932. The professorial staff of the Institute has now been selected and will shortly take up their appointments. The syllabus and prospectus of the Institute have been issued.

During the year, the future of the Indian Medical Service was still engaging the attention of the Secretary of State for India and the Government of India. There was a considerable demand from

the Provinces for the services of European officers of the Indian Medical Service. Although it was not possible to meet every demand in full, it is satisfactory to report that 31 European officers were transferred between the beginning of 1932 and the middle of August 1933.

General Medical Council.

A Medical Council Bill was introduced in the Legislative Assembly in September 1932, and came up for discussion in the winter session of 1933 when it was referred to a Select Committee. The Bill was passed in the autumn session of 1933. The Government of India issued a notification bringing the Act—Indian Medical Council Act, 1933—into force with effect from the 1st November 1933. Action is being taken to establish the Indian Medical Council without avoidable delay. The proposal referred to in last year's report regarding the amendment of the Indian Medical Degrees Act, 1916, with a view to make it more effective in preventing the use by unqualified persons of titles implying qualifications in " Western Medical Science " was examined further and it was decided to refer the question to the Council as soon as it was established.

Haj Pilgrimages.

In last year's report reference was made to the introduction in the Legislative Assembly in March 1932, of three Bills designed to give effect to some of the decisions reached on the recommendations of the *Haj* Inquiry Committee. Of these three Bills, the one which aimed at establishing Committees in the principal ports of pilgrim traffic to assist Muslim pilgrims to the Hejaz was passed by the Indian Legislature in September 1932. The Bill to amend the Indian Merchant Shipping Act, 1923, for certain purposes connected with the pilgrimage was passed in April 1933. As regards the third Bill, which is designed to regulate the activities of persons in British India offering to assist Muslim pilgrims to the Hejaz the Select Committee which was appointed to report on this Bill recommended by a majority that the Bill should not be proceeded with at present. Before arriving at a decision on this recommendation, the Government of India have, on the advice of the Standing *Haj* Committee, decided that copies of the Bill as amended by the Select Committee should be sent to Muslim vernacular newspapers for publication and that the managers of the papers should be asked to forward to Government any comments that may appear in their papers regarding the merits of the Bill. The opinion of the Gov-

ernments of Bombay and Bengal as to whether the Bill should or should not be proceeded with has also been invited.

Other important measures taken during the year under report were (*i*) the publication and free distribution of a revised edition of the "Guide for Pilgrims to the Hejaz" in English and Urdu, (*ii*) the repatriation, at a cost of about Rs. 10,500, of 258 destitute Indian pilgrims stranded at Jedda on the conclusion of the pilgrimage without the means of returning to their homes, and (*iii*) the promulgation, in January 1933, of new rules regarding the provision of life saving appliances on pilgrim ships.

The drugs problem.

We may now consider the problems that arise in this country from the abuse of intoxicating drugs. The opium policy has been described in some detail in previous reports. As regards the export of opium, the Government of India's policy is governed by international agreements, but has actually gone considerably further than these require. The area under poppy cultivation in the United Provinces in 1931-32 was 37,012 acres, against 36,537 acres in the preceding year. The area sown in the year 1931-32 represented about 20.8 per cent of the area sown in 1912-13 (the last year before exports to China were stopped) and about 52.1 per cent of that sown in 1925-26 (the last year before the policy of steady reduction in other exports was adopted). The process of reduction was stayed in 1931 and in 1932 because it was found that the rate before 1931 had been too rapid, so that stocks had been brought to a dangerously low level. Progressive and rapid reduction was resumed in 1933. Developments in internal policy have consisted in the enactment by provincial Governments of legislation designed to suppress or limit the actual smoking of the drug which constitutes a problem quite distinct from its use by eating as an indulgence and more particularly as a quasi-medical preventive of malaria.

The Dangerous Drugs Act.

The Dangerous Drugs Act came into force on 1st February 1931. The Act regulates the production and manufacture of opium for export and internal production and distribution and supply of prepared opium, coca leaves and manufactured drugs; and also contains a clause giving local Governments certain control over illicit transactions in dangerous drugs, especially in regard to traffickers having their headquarters in but operating outside British India. Opium production in the Indian States is naturally a com-

plicating factor. The Government of India have decided to purchase all old stocks of opium in the various States, and to regulate and if possible reduce poppy cultivation in the States by arranging for the supply of crude opium to the Government on a quota system on the understanding that these quotas will not be reduced except *pari passu* with the diminution of production in British India. Under the revised agreements (which will remain in force for a period of 4 years ending on the 30th June 1936), all the States which produce crude opium for supply to Government. excepting Gwalior, Indore and Tonk, which have been allowed to cultivate poppy for their own excise purposes also, will permit no poppy cultivation except as required for supply to Government. The right of the Durbars concerned to produce opium for internal consumption will remain in abeyance during the periods of the agreements and the position will be reviewed when these contracts expire.

Opium smoking.

In Burma the register of opium smokers and the register of Burmese opium consumers were re-opened with effect from the 1st April 1932. The local Government have still under consideration a proposal to license smoking saloons with a view to providing facilities for smoking where such are necessary and at the same time enabling the excise staff to take effective action against unlicensed saloons. The Bengal Opium Smoking Act, 1932 (Act X of 1932), which aims at the licensing of opium smokers, came into force with effect from the 1st June 1933. In the Central Provinces, opium smoking has been totally prohibited with effect from June 1932. The Governments of Madras, Bombay and the United Provinces are also contemplating legislation to prohibit opium smoking. Opium smoking in company has been prohibited by legislation in the Punjab, the United Provinces, Delhi, Baluchistan and the North-West Frontier Province. Before ratifying the Agreement drawn up at the Opium Smoking Conference, Bangkok, certain modifications of the existing laws in Burma are necessary to enable the provisions of the Agreement to be enforced. The local Government have therefore prepared a Bill with a view to amending the Dangerous Drugs Act, 1930, in order to achieve this object. But as some further questions of detail have arisen which could not be settled in time, it has been decided to postpone the Bill until the session of the Burma Legislative Council to be held in February

1934. Negotiations were in progress during the year with Indian States with the object of concluding extradition treaties in respect of persons connected with illicit traffic in dangerous drugs. The Convention for limiting the manufacture and regulating the distribution of narcotic drugs was ratified on behalf of India on the 14th November 1932.

Control of the importation, manufacture and sale of medicinal drugs in India..

The report of the Drugs Enquiry Committee referred to in last year's Summary was examined during the year. As many of the recommendations made by the Committee concern the provincial Governments either exclusively or in common with the Central Government, it was decided that the provincial Governments should be given an opportunity of formulating their views on the report as a whole before the Government of India formulate their own views on the recommendations. Provincial Governments were addressed on the subject at the end of August 1932, and their replies are awaited.

Women's Medical Service.

We may now refer to the important activities undertaken in connection with the health and physical welfare of women and children in India. The year under review again saw an all round increase in the work done by hospitals run by medical women, although, owing to financial stringency, there was an almost general cut in salaries and grants varying from 5 per cent to 10 per cent. The United Provinces remained far ahead of other Provinces in its work for the relief of sick women and children and was still the only Province to employ a senior officer of the Women's Medical Service as Assistant to the Inspector General of Civil Hospitals for the work of inspecting the women's hospitals and advising those working in them. The Lady Hardinge Medical College in New Delhi, which is maintained by a Government of India grant, and the Medical Schools at Agra and Madras, maintained by the provincial Governments, continued to train women medical students. Reference was made in last year's report to the proposed recovery of a charge (per capita) from local Governments for each student sent by them to the Lady Hardinge Medical College. The proposal was dropped in view of the straitened condition of provincial finances. It was then proposed to close the science classes at the Institution with a view to reducing expenditure, but fortunately Government increased its grant to Rs. 331,800 during the year and

this proposal also was abandoned. The Medical School at Ludhiana is largely financed by a grant from the Punjab Government. Appreciation of the work of its Principal, Dr. Edith Brown, was shown by the grant to her in 1932 of the title of Dame of the British Empire. As women's education improves, more women present themselves as candidates for training not only as doctors but as nurses, midwives and compounders. The day is still far distant when the villagers will all be within reach of skilled help for their women, but every year sees an improvement. The motor buses which continue to increase in numbers are helping enormously towards this end. During the year there were 26 hospitals in India under officers of the Women's Medical Service, the small number of hospitals compared with the number of officers on the cadre being due to the fact that, owing to its importance as a teaching institution, the Lady Hardinge Medical College and Hospital requires the services of 9 officers.

Indian Red Cross Society.

We may now turn to the activities of the Indian Red Cross Society and other similar organizations engaged in voluntary health and welfare work in India. During the year under review, the development of work suffered to some extent owing to the continued economic depression, and the issue of a conversion loan by the Government of India resulted in a heavy decrease in the income from investments necessitating the exercise of strict economy; but in spite of these adverse factors a notable advance was secured in several directions. Considerable awakening of activity took place in the Indian States in particular. The Travancore Durbar held a special meeting to inaugurate a State Red Cross Branch; the Jodhpur and Kotah Branches, which hitherto formed part of the Rajputana provincial Branch, obtained affiliation direct with headquarters; and the Mysore State Branch achieved great success with regard to its child welfare programme. The Baby Week held in the last-mentioned State secured the second place in the competition for the Imperial Baby Week Challenge Shield which is awarded annually by the National Baby Week Council, England, for the best Baby Week campaign held throughout the Empire exclusive of the United Kingdom. Considerable progress was achieved in British India also; 11 new District Branches were formed in the United Provinces; Maternity and Child Welfare work was developed in the districts of Sind; the Assam Branch recorded an almost four hundred per cent increase

in membership; the Health School for the training of Health Visitors and Dais was re-opened in Madras, and in Bombay, Rs. 13,000 were raised through entertainments. In the Attock District of the Punjab a women's hospital called the " Talagang *Zenana* Hospital " was built through private munificence and presented to the Society, this being the first hospital to be owned by the Indian Red Cross Society. At the end of 1932, there were 22 provincial and State Branches and 143 District or local Branches, the largest number of local Branches being in the Punjab. The adult membership, however, suffered on account of the economic depression and came down to 13,373 from 16,032 at the end of 1931.

The Medical Stores Section of the Society's Central Supply Depot at Lahore was closed at the end of the year as a measure of economy, but it has been decided that medical comforts for hospitals which were hitherto supplied by the Depot will now be obtained by the provincial Branches locally and the Depot transactions will consist of distribution of propaganda material. During the year under review the Depot distributed medical comforts of the value of Rs. 36,183 to 223 institutions, and issued Rs. 10,577 worth of propaganda material. Among the other activities undertaken by the Society may be mentioned the issue of the quarterly journal " The Red Cross " which seems to be growing in popularity; the addition of a Cinema Production Bureau to headquarters; the maintenance of a library of health and organization literature, films, charts, slides, etc., and the preparation of a scheme whereunder a film circulating library will be instituted; the distribution of educational posters; the preparation of a model Disaster Relief Plan which outlines the method of dealing with a disaster in a constructive and economic manner and the machinery which must be set up for the purpose; and the distribution of grants in a number of disasters for relief purposes. The Society was represented at the Second International Conference of social work held at Frankfort-on-Main in Germany in July 1932, and at the invitation of the Society and the Government of India Miss Mary Beard of the International Health Board of the Rockefeller Foundation visited India to study the problems connected with the training of Indian women for public health work. The Society's work is gradually penetrating into the rural areas and the District Branches are seriously turning their attention to the vast problem of improving health conditions in the villages. Roadside

first aid posts have been instituted by the Central Provinces and Berar Branch.

The Junior Red Cross.

During 1932 the Junior Red Cross, which is the children's branch of the Red Cross, made good progress; 3,781 groups with a membership of 1,92,516 (1,88,960 boys and 3,556 girls) were enrolled, which was an increase of 819 groups and 39,782 members over the figures for 1931. The school children enrolled pledge themselves to take care of their own health and that of others, to help the sick and suffering and to look upon children all over the world as their friends. The non-political, non-sectarian and non-religious nature of this pledge is so clear that this movement is welcomed and encouraged by every section of the population. The potentialities of the Junior Red Cross can be judged from the fact that during 1932, the Punjab Juniors raised, mostly by sacrifice of their pocket money, a considerable sum of money, which they spent in helping their poor class mates on purchase of medicines for treatment of the sick, on health propaganda, etc. The movement has not yet been developed much in girls' schools, but Bombay has given a good lead in this direction. A number of pamphlets have been published by the headquarters of the Society to help in the organization of groups and to furnish suggestions for methods of work. The inter school correspondence between Junior Red Cross groups of various countries which is so powerful a factor in establishing peace and goodwill between nations is gradually increasing in popularity in India. One of the fundamental objects of the Junior Red Cross is to teach personal and community hygiene to boys, and Juniors are also encouraged to assist public health authorities during epidemics.

Maternity and Child Welfare and propaganda against tuberculosis.

Mention must now be made of two important aspects of the Society's work which are to some extent distinct from its other activities. The Maternity and Child Welfare Bureau was opened in 1931. Its scope includes training schools for health visitors, the work of instruction of indigenous dais, the supervision of infant and child welfare work and the assisting and advising of centres for the sepoys' wives and children. The grants given to health schools enable the Bureau to keep up the standards of training as well as supplying much needed financial aid. Four schools are assisted in this way, namely the Lady Reading Health School at Delhi, the Bengal School for Health Welfare Workers at Calcutta, the School for training

Health Visitors at Madras, and the school for the same purpose organized by the Seva Sadan at Poona. Touch is also maintained with the Government training schools at Lahore and Nagpur. This part of the work is regarded as extremely important since before health work can succeed in India a body of properly trained workers is a fundamental necessity. The help given by the Bureau to child welfare centres is partly financial, but it is to a greater extent advisory and this advice is welcomed and sought all over India. The peculiar problems and difficulties of work among rural and industrial populations are also slowly being attacked. As regards propaganda against tuberculosis, mention was made in last year's report that the King George Thanksgiving (Anti-tuberculosis) Fund was handed over to the Society at the end of 1930. The chief aim of the Fund is to organize educational propaganda against tuberculosis. The disease is not solely a medical problem, but is also associated with ignorance and certain social and economic conditions which lower the vitality of the people. Preventive measures are therefore necessary which may be grouped under four heads: educational propaganda; betterment of conditions of living; removal of certain social customs; and provision of dispensaries and sanatoria. At present efforts are being made to organize anti-tuberculosis sub-committees in British India as well as in the Indian States with a view to educate the people about the causes and prevention of tuberculosis. During 1932, 8 new provincial sub-committees were formed, bringing the total number to 13. These sub-committees are carrying out an intensive propaganda campaign against tuberculosis. In 1932, the total income of the Fund was Rs. 54,004-13-0 and the expenditure Rs. 31,682-10-0 of which Rs. 12,251-3-0 was spent in making grants to the various provincial sub-committees.

St. John Ambulance Association.

The St. John Ambulance Association with its sister organization, the St. John Ambulance Brigade, works in close cooperation with the Indian Red Cross Society. During 1932, 1,311 courses of instruction in first aid, home nursing, home hygiene and sanitation were held in which a total of 23,194 persons received instruction and 13,652 persons qualified for proficiency certificates. In addition, 8,576 school students received an elementary course of instruction in these subjects, of whom 6,089 qualified for certificates. Classes were organized among railwaymen, soldiers, policemen, in prisons, Reformatory Schools, educational institutions, mines, and industrial establishments

in British India as well as in the Indian States. The St. John Ambulance Brigade consisted at the end of the year of 50 Ambulance and 10 Nursing Divisions with 4 Cadet Ambulance and 5 Cadet Nursing Units. The total membership was over 2,000.

Boy Scouts and Girl Guides.

Finally, mention may be made of the Boy Scouts and Girl Guide movements, and it may be safe to say that the year under review has been one of steady progress. The extent to which the movement has expanded will appear from the Census figures which show an increase of 23,190 in 1933 over the figures of last year, bringing the total for all India up to 1,89,762. This increase is spread over both Provinces and State Associations. Amongst the States, Mysore stands foremost for membership with 10,387, Kashmir coming next with 4,365. In all, there are 29 State Associations in India. The movement continued to receive support from all provincial and State Governments. The Cochin Government gives to the Scout Association a grant of Rs. 5,000 per annum. Bombay and the Punjab Governments subsidise their local Associations to the extent of Rs. 21,000 and Rs. 20,000, respectively. The Bengal Association receives from its local Government Rs. 10,000 and the Government of the United Provinces contribute Rs. 12,000 each to both Baden-Powell and the Seva Samiti Boy Scouts Associations. It is a matter of regret that in several Provinces grants have been cut by the local Governments under the present retrenchment scheme, but these cuts do not seem to have detracted from the general all round efficiency and advancement apparent in the movement as a whole.

One of the principal features of the year has been the attention given to the training of officers and the facilities afforded for this purpose. Under the auspices of the Indian Headquarters two advanced courses—one for Cub Masters and the other for Rover Leaders—were held towards the end of 1932 and the Province of Madras and especially the States of Mysore, Travancore, Cochin and Puddukkottai took full advantage of these courses. Another pleasing feature of the year 1932-33 is that several more provincial Associations have been able to secure permanent headquarters buildings of their own, and in some Provinces even local Associations have, with the assistance of the boys themselves, been able to do so. Mention should also be made of the progress which the movement has made in institutions for disabled boys like the schools for the blind, deaf and dumb, and even in some leper Settlements. Several of the Borstal schools

have also taken very keenly to Scouting and have produced very smart and efficient troops.

Education.

We may conclude the Chapter by describing briefly the activities of certain educational institutions for which the Government of India assumes some degree of responsibility. The number of students at the Benares Hindu University continued to increase, the total number on the rolls at the end of the year being 3,305 (of whom 84 were lady students) as compared with 2,993 in the previous year. On the academic side the most outstanding event was the decision of the Senate to introduce Hindi as the medium of instruction in a few subjects for the Intermediate Examination. A new group of subjects, namely Chemistry, Botany with Pharmacognosy, and Pharmaceutical Chemistry, has been introduced for the B.Sc. Examination, and Elementary Psychology has been introduced as an independent optional subject for the Intermediate Examination. The University Library has made good progress and contains now about 70,000 books. The University Training Corps won the Efficiency Cup for the sixth time in succession at the annual camp of the parent battalion at Agra. The finances of the University are unfortunately not free from anxiety. Owing to the general depression fresh donations amounting only to Rs. 86,145-12-0 were received during the year. Strenuous attempts were made to collect more funds, and it is gratifying to note that H. H. the Nawab of Rampur and His Highness the Maharaja Tehri Garhwal have promised to give a non-recurring donation of Rupees one lac each and a recurring annual donation of Rs. 6,000.

Benares University.

Aligarh University.

At the Aligarh Muslim University certain changes of importance took place during the year. The Intermediate Classes were amalgamated with the University and the high school classes with the University School. As a result of this change the enrolment in the University and the School showed a marked increase. On the academic side, two Doctorate Degrees of different standards were introduced; the departments of Arabic and Physics were strengthened by the appointment of Dr. Otto Spies and Dr. Lessheim respectively to professorships in these departments; and teaching in the new science laboratories which were opened in October 1932 was commenced. During the year, 3,500 books were added to the library and the librarian was sent to London for special training. Financial conditions, however, remained unsatisfactory, but in spite of the

depression, the Government of India completed its generous non-recurring grant of Rs. 15 lakhs by a payment of Rs. 6 lakhs, and several donations were received from private persons. The University was forced to appoint a Retrenchment Committee in order to find out ways of reducing its expenditure and the teaching and ministerial staff was overhauled and a cut in salary for three years was imposed.

Delhi University.

The number of students at the Delhi University increased from 2,045 in the previous year to 2,209. The Anglo-Arabic College was accorded permanent recognition as a degree college of the University teaching up to the B.A. (Pass) Standard, and the Commercial College which was recently recognized as a degree college opened B.A. (Pass) classes. The Indraprastha Girls' Intermediate College has applied to the University for permission to open degree classes (B. A. Pass) in certain specified subjects. Tutorial work is being organized on a more effective basis in the constituent colleges of the University. Far-reaching changes have been suggested by some of the Committees of Courses and Studies for the M.A. examination, such as the institution of qualifying Tests for candidates who have not passed the B.A. Honours examination, and the submission of a thesis on any approved subject in lieu of certain written tests. Several teachers of the University earned academic distinctions during the year from British Universities, and the University Training Corps was maintained at its full strength.

Centrally Administered Areas.

As regards centrally administered areas, the 5-year programme of expansion of educational facilities in these territories which was introduced in 1927-28 was reviewed during the year and found to have worked successfully. It was decided therefore that its various items should be treated as permanent measures and the expenditure of Rs. 5,18,600 per annum in respect thereof should be amalgamated with the ordinary educational expenditure in the various areas.

CHAPTER VIII.

The Scientific Surveys.

Scope of Chapter. We propose to conclude this report with an account of what are known as the five Surveys of India—archæological, topographical, geological, botanical and zoological. As in the preceding year, the activities of these Departments were greatly restricted by financial stringency.

The Archæological Survey. The grant for Archæological works during the year stood at the same low figure as in the previous year and it was not possible therefore to undertake excavations on an extensive scale. It is gratifying to note however that the few small excavations undertaken during the year yielded an unexpectedly rich harvest.

Mohenjodaro. For want of funds no excavations were made during the year on this interesting site, but a few trial trenches were dug at Harappa which revealed a few more houses in the "Workmen's Quarters" in Mound F, recalling the famous "Potters' Quarters" of the 6th Century B. C. in Athens. The portable antiquities found were not numerous.

Taxila. At Taxila, operations were devoted to the clearance and conservation of the great Buddhist monastery at Kalawan which had been uncovered in the previous year. This is the largest among all the monasteries yet brought to light in the north-west of India. The inscription engraved on a copper plate, which was discovered last year in one of the stupas on this site, has now been finally deciphered and studied. It mentions that the old name of the monastery was Chadasila and records that the shrine was erected by a female lay-worshipper, one Chandrabhi by name, in the year 134 of the Azes era which, according to the now generally accepted view, corresponds approximately with the year 76 A. D. Among other noteworthy antiquities brought to light in the course of the operations on this site, one of the most interesting is a small stupa which, like the cell-stupa in the Mohra Moradu monastery, doubtless commemorates (and perhaps contains the relics of) some specially holy divine who once resided here. Another feature of interest in this monastery is the presence of three strong rooms, which took the place of the ordinary monks' cells but were devoid of doors or windows, the only means of access being by a trapdoor contrived in the upper floor. Sixty coins ranging in date from Hermaeus to Hormazd II were found in the

monastery of Chadasila and in a niche in front of one of these strong rooms was a group of unusually well-modelled terracotta figures.

Nalanda. At Nalanda, another monastery (No. 9) was brought to light. The central courtyard which is well paved with square brick tiles contains a well and there is a staircase at one corner to give access to the upper floor. The use of wood for the treads and risers of this staircase and for door-frames in the entrance to the cells is evidenced by the existence of masses of charcoal. The portable antiquities recovered from this building include an interesting collection of 75 bronze and stone images, clay seals, terracotta plaques, a pair of ivory sandals, iron straps, nails and other objects. The bronze statues, which have been cleaned, vary in size from 4″ to 22″, and next to the collection found in a monastery at Kurkihar two or three years ago, constitute the largest collection of such objects found in any other single structure.

Delhi. At Delhi, further progress was made with the excavation of the Palace of Muhammad Shah Tughlaq, locally known as Bijaimandal, which name according to Sir Sayyid Ahmad is a corruption of Badih Manzil, or the wonderful mansion. The large pillared hall on the north of this palace was probably the thousand pillared hall built by this king. A considerable portion of this latter hall is now hidden under a *khanqah* of a later date.

Burma. The Archæological Superintendent in Burma reports the discovery at Kyaukse of old cave temples which were brought to light by a Burmese monk while clearing a site for a monastery. They date from the beginning of the 14th century A. D. as evidenced by a Burmese inscription engraved in the year 666 Sakkaraja (A. D. 1304-5). The caves contain colossal images of Buddha cut into the rock and revealed small wooden images of the three Shan brothers in whose time they were excavated. Similar clearance work around an old stupa at Pagan yielded a collection of bronze images of the Buddha.

Epigraphy. The fragmentary Brahmi inscription from Mahasthangarh mentioned in last year's report turns out to be a document of considerable interest, inasmuch as it appears to record the occurrence of a severe famine which devastated Northern India in the third century B. C., and the measures of relief adopted to combat it including the distribution of paddy from the royal granary and the advance of loans

through district officers. Another important inscription disposed of during the year is a Kushan epigraph from Mathura which is written in a mixture of Sanskrit and Prakrit and dated the first day of the Macedonian month Gurppiya in the year 28 in the reign of the Kushan king Huvishka. Two copper-plates bearing a Gupta inscription of the year 128 were excavated in an ancient tank at the village of Baigram in the district of Dinajpur, North Bengal. They throw valuable light on the system of administration in vogue in North Bengal during the period in question. A noteworthy undertaking in the epigraphical line was a careful examination with a view to publication by the Government Epigraphist of the numerous inscriptions engraved on stone, terracotta tablets, etc., found in the course of the excavations at Nalanda that had remained undeciphered. Of the 3 or 4 Nagari inscriptions in which the name of the old Hindu city of Delhi has been noticed, the earliest is that of the Samvat year 1109 in the reign of the Tomara king, Anangapala, who is credited with having repeopled this city after it had lain desolate for many centuries. In view of its great importance as the Imperial Capital of India, any records relating to this city deserve special notice. One such inscription was found during the year under report at Hastinapur, the reputed capital of the Kauravas.

In Southern India, 489 stone inscriptions and six copper-plate grants were examined. These belong to the Pallava, Chola, Chalukya and Pandya dynasties. The earliest among the copper-plate inscriptions is the one issued by the Eastern Chalukya king Vishnuvardhana III, who flourished in the 7th century A. D.

Museums. In the Indian Museum, the Gandhara Gallery has been re-arranged and the sculptures re-classified according to subjects represented by them. The Coin-Cabinet was enriched with 173 coins including 24 gold and 45 silver coins. Among the silver coins special mention may be made of five punch-marked coins from Rajshahi which are the very first examples of this type to be found anywhere in Bengal. The newly acquired sculptures include a rare stone image of Harihara attended by Surya and Buddha.

The Allahabad Municipal Museum which was started only a few years ago already contains a considerable number of valuable antiquities brought together by the Executive Officer of that Municipality. Of these, three early Brahmi inscriptions found among the remains at Kosam (ancient Kausambi) are of considerable historical value.

Much useful work was done by the Archæological Chemist who treated 1,025 antiquities of various kinds and assisted the officers of the Survey with his advice regarding other matters. A beginning was also made by him with the scientific preservation of the important collection of Mughal paintings, drawings and manuscripts in the Delhi Fort Museum, and the work of the preservation of Buddhist silk paintings in the Central Asian Antiquities Museum, New Delhi, was continued. **Archæological Chemist.**

As in the preceding year, besides the usual annual repairs to the monuments in the charge of the Archæological Department, special conservation works of a really urgent nature only were carried out. **Conservation.**

The Survey of India was hit hard by the economy campaign carried out during the year. Its net grant was nearly halved and the staff was greatly reduced. As a result, the activities of the Department were considerably curtailed. **The Topographical Survey.**

During the year under report, ending on the 30th September 1932, an area of 37,924 square miles was surveyed, including 3,148 square miles of revision of modern (later than 1905) surveys, mostly on the scales of one inch and half inch to one mile, compared with a previous annual average of about 62,000 square miles. The total area surveyed within the external limits of India up to the survey year 1931-32, was 1,129,102 square miles, and the balance remaining for survey was 755,585 square miles. It was hoped at one time to complete the survey of the small area on the south-west slopes of the Black Mountain (North-West Frontier Province) remaining over from last year's work, but the necessary political arrangements could not be made. Work in the high mountainous country on the north-west frontier, however, was brought to a close. The progress of survey in the Comilla and Noakhali Districts and neighbourhood in East Bengal was hampered owing to the prevalence of terrorist activity in that part of the country.

In addition to topographical work, a number of special surveys, forest surveys, cantonment surveys, rectangulation surveys and surveys for other Government departments, Indian States and private bodies were also carried out during the year. A certain amount of exploration work also was done. Before proceeding to Persia, Sir Aurel Stein carried out some archæological work in the neighbourhood of Jhelum and established the site of the grave of Alexander **Special and Miscellaneous Surveys.**

the Great's famous horse Bucephalus at Jalalpur, 30 miles south-west of Jhelum, and the Survey Officer who accompanied Dr. de Terra's expedition to Eastern Ladakh in May 1932 succeeded in surveying 4,600 square miles of little known country during the year.

Observatory work—astronomical, magnetic, seismological and meteorological.

The scientific operations of the Department included the following: Bi-weekly time observations with the bent transit were continued, and a record of the Dehra longitude maintained by the reception of wireless time signals from Bordeaux and Rugby; experiments were made with the transit and astrolabe in the hope of eliminating the personal equations of the observers; the latitude variation programme was continued; the usual magnetic, seismographic and meteorological observations were undertaken; and observations of the heights of certain snow peaks were made from Mussoorie. Observations to determine the force of gravity were made at 1 station in the Central India Agency, 13 stations in the United Provinces, 11 stations in the Central Provinces, 5 stations in the Bombay Presidency, 2 stations in Hyderabad, 4 stations in the Madras Presidency, 6 stations in Bihar and Orissa, and 4 stations in the Bengal Presidency. The observation of the Dalbandin Meridional series, which connects the Kalát Longitudinal and Makrán Longitudinal series in longitude 65°, was completed. Twelve new stations were built and 14 stations observed at.

Map Publication.

During the year, 790 departmental maps, including reprints and new editions, were published and numerous maps and plans were prepared for the Army, local Governments, Railways, Census Officers, and other Departments.

The Geological Survey.

During the year, geological surveys were in progress in the Northern and Southern Shan States, and the Shwebo District, Burma; in Kashmir, the Simla Hills, the Salt Range, the Attock, Mianwali, Hoshiarpur and Kangra Districts and Bilaspur State, Punjab; Chakrata District, United Provinces; Jodhpur State, Rajputana; Palanpur State and Panch Mahals District, Bombay; Kushalgarh and Jhabua States, Central India; Gangpur, Bonai and Bamra States, Bihar and Orissa; Betul, Chhindwara, Nagpur and Bhandara Districts, Central Provinces; and Anantapur, Cuddapah and Kurnool Districts, Madras.

Economic enquiries.

Economic enquiries were carried out on asbestos in Cuddapah and Kurnool Districts, Madras; barytes in these Districts and in

Anantapur District, Madras, and Gangpur State, Bihar and Orissa; building-stones and ceramic materials in Bonai and Gangpur States, Bihar and Orissa; coal in Gangpur State, Bihar and Orissa, and Betul District, Central Provinces; copper, diamonds and iron-ore in Kurnool District, Madras; dolomite, lead, mica and ochre in Gangpur State, Bihar and Orissa; gold in the Southern Shan States, Burma, and Jubbulpore District, Central Provinces; gypsum in Sirmur State, Punjab; manganese ore in Panch Mahals District, Bombay, and Jhabua State, Central India ; salt at Khewra, Punjab ; sapphire in Kashmir and sulphur in Shahpur District, Punjab.

Special investigations.

Special investigations included, on the Burma Oilfields, the question of increasing the vacuum applied to wells in the reserves of the Yenangyaung field, and the revision of the Warden's regulations for the control of the field. A detailed survey was made of the deep test wells that have been drilled in Burma, and with the cooperation of the companies concerned, samples of natural gas were taken from the different oilfields and forwarded to the Indian Institute of Science for analysis, in particular the estimation of the helium content. Another memoir (LXI) was published on the coalfields of India.

The underground water-supplies of the Salt Range and the country surrounding it were investigated, and among surface water projects examined were the sites for a large irrigation dam across the Mor River in the Santal Parganas, and for 2 reservoirs to supply the town of Mergui in Southern Burma.

A visit was paid to the Arwa glacier in British Garhwal, which Mr. Smythe and the Kamet party thought might block the valley and form a lake. Although there is no immediate danger, the glacier is such that a sudden advance is possible.

The Botanical Survey.

Retrenchment reduced the Botanical staff to a single Assistant for systematic work and the Director who holds the administrative charges of the Botanic Garden, Sibpur, and of the Cinchona Plantations of the Governments of Bengal and India. This, combined with the need for strict economy in the expenditure of the Department, made out-door work impossible for the officer, and attention was, therefore, directed to work in the Herbarium, Royal Botanic Garden, the acknowledged centre of the activities of the Survey since 1889, the date when it first came into existence.

Much valuable work was carried out in the Herbarium by the Assistant, amongst the subjects dealt with being the following: (*a*) the discovery and isolation of further fresh records and new species from his Travancore collections of 1928; (*b*) preliminary studies on the cultivated Cassias and on the protean species of Glycosmis pentaphylla, Corr., with a view to clear up the confusion in their nomenclature; and (*c*) an illustrated note on the synonymy of Dendrobium Macraei, Lindl., and Dendrobium fimbriatum, Lindl.

Exchange relations were continued with botanical and horticultural institutions in India and abroad, relations which, besides benefiting the countries to which the material went, enriched the Calcutta herbarium by valuable accessions no longer possible for it to obtain on a purchase basis.

Cinchona.

A small saving in the provincial budget for the Botanic Garden helped towards a completion of the Botanical survey of the cinchona reserve area in South Burma. In conformity with the Government of India's decision to contract their cinchona effort in South Burma, no extensions to the existing plantations were undertaken during the year. At the end of the year, there were some 284 acres of Ledger and 347 acres of Hybrid under cultivation. Thinnings and uprootals accounted for a harvest of 78,362 lbs. of bark, and the annual increment over a six-year period can now be given as 235 lbs. and for five years 281 lbs. There were opening stocks of 714,087 lbs. bark, 290,149 lbs. quinine sulphate and 29,953 lbs. cinchona febrifuge. Issues during the year were of quinine sulphate 11,370 lbs. and of febrifuge 9,354 lbs. The total revenue from sales was over Rs. 3 lakhs. The sales of the cinchona products of the Governments of Madras and Bengal were Rs. 4½ and Rs. 6½ lakhs respectively. The question of reducing surplus stocks of quinine was further explored during the year.

The Zoological Survey.

As in the previous year, the field investigations by the officers of the Survey were very much restricted as a result of the greatly reduced grants both for travelling and general work, the great reduction in the staff, and the re-organization of the work of the Survey on a maintenance basis. Short visits were, however, paid to the Sandheads to investigate the fauna living under peculiar physical conditions which prevail in this area and to Etawah in the United

Provinces for the study of the ecological conditions and collection of material for a hibitat group of the common storks which is being prepared for the Bird gallery of the Indian Museum. In connection with the studies on the changes in the salinity and of the animal life in the waters of the River Hooghly and the adjacent waters referred to in the previous year's report, detailed investigations were started on the brackish-water fauna of certain areas near Calcutta. Extensive tours were made by the Anthropologist in Goa, Malabar, and the Tamil and Andhra countries and short visits were paid to Khasi Hills and Allahabad for taking anthropometric measurements of selected groups of people in various parts of India in connection with the Census of 1931. The results so far obtained clearly indicate that the current ideas about the somatic kinship between the different groups of the Indian population will have to be radically modified. Finally, the investigations regarding the life-history of the *Trochus* and *Turbo* molluscs in the Andamans referred to in the report for 1931-32 were continued.

Research.

In spite of the very difficult conditions under which work had to be carried on during the year, several important pieces of research were completed in the laboratories and a number of interesting investigations were started. A great deal of work in the way of re-arrangement and overhauling of the collections was carried out by the officers of the Department and several very important collections belonging to the Survey which had been sent out for identification to specialists abroad were received. These are being registered and incorporated into the general collections of the Survey and as a result the reserve collections are in a much more satisfactory condition.

The Anthropological section of the Survey carried out important investigations on the human and animal remains excavated by the Archæological Survey of India. Large numbers of animals were identified for the Bombay Natural History Society, Darjeeling Museum of Natural History, Harcourt Butler Institute of Public Health, Burma, Central Research Institute, Kasauli, Calcutta School of Tropical Medicine, and other institutions.

APPENDIX.

Representative List of Official Reports, etc.

(Mostly annual.)

General.

Statistical Abstract for British India.

Census Report (decennial).

Provincial Administration Reports : Madras, Bombay, United Provinces, Punjab, Bengal, Central Provinces and Berar, Burma, Bihar and Orissa, Assam, North-West Frontier Province, Delhi, Coorg, Andaman and Nicobar Islands, Civil and Military Station of Bangalore, Ajmer-Merwara, Baluchistan Agency, Aden.

Agriculture and Veterinary.

Agriculture and Livestock in India (bimonthly).

The Indian Journal of Agricultural Science (bimonthly).

The Indian Journal of Veterinary Science and Animal Husbandry (quarterly).

Scientific Monographs of the Imperial Council of Agricultural Research, issued periodically.

Review of Agricultural Operations in India (biennial).

The Annual Report of the Imperial Council of Agricultural Research.

Proceedings of the Board of Agriculture and Animal Husbandry.

Miscellaneous Bulletins of the Imperial Council of Agricultural Research, issued periodically.

Catalogue of Indian Insects.

Scientific Reports of the Imperial Institute of Agricultural Research, Pusa.

Report of the Department of Agriculture for each Province.

Season and Crop Report for each Province.

Agricultural Statistics of India, Volumes I (British India) and II (Indian States).

Estimates of Area and Yield of Principal Crops in India.

Report of the Civil Veterinary Department for each Province.

Report of the Imperial Institute of Veterinary Research, Muktesar.

Quinquennial Report on the average yield per acre of principal crops in India.

Review of the Sugar Industry of India (Supplement to the Indian Trade Journal.)

Live-stock Statistics, India (quinquennial).

Co-operative Societies.

Statistical Statements relating to Co-operative Movement in India.

Report on Co-operative Societies for each Province.

Reports of Conferences of Registrars of Co-operative Societies.

Education.

Annual Reports on Education for India and for each Province.

Quinquennial Reviews on the progress of education in India and in each Province.

Occasional Reports and Pamphlets on education.

Emigration and Immigration.

Annual Report on the working of the Indian Emigration Act of 1922 and the Rules framed thereunder in the Presidency of Bengal.

Annual Report on the working of the Indian Emigration Act in the Bombay Presidency.

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MAP OF INDIA
(SHOWING PROVINCES AND DISTRICTS).
REFERENCE
Boundaries—International demarcated, unDemarcated
Do. Province or State Do. Do.
Do. District and minor State, Administrative
KASHMIR
RAJPUTANA
AJMER-MERWARA
BERAR
BHUTAN
NEPAL
TIBET
CHINA
BAY OF BENGAL
ARABIAN SEA
MADRAS
BOMBAY
CALCUTTA
KARACHI
HYDERABAD
MYSORE
CEYLON
ANDAMAN ISLANDS
LACCADIVE ISLANDS
Scale 1 inch=128 miles
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on 01 February, 2020